

this will not be done by simply following an American precedent, and ignoring Canadian conditions and the opinions of Canadian managers.

"What would be thought of a commission on banking that would recommend that our Canadian banking act be amended by adding a large number of sections taken almost word for word from the American Act, and that the views of Canadian bankers be ignored? Yet that is what our Canadian Commission recommends should be done with our Insurance Act. They propose to add to the existing Canadian Act most of the distinctive features of the Armstrong law of New York, adopting, apparently, even the exact wording to a very large extent.

#### Yellow Journals and the Armstrong Law.

"The Armstrong law is not merely American, but it is an Act which was pushed through the New York Legislature under the lash of the yellow journals, and is already discredited by the sober second thought of its own land. Its leading provisions have been repudiated by I believe, every legislative commission which has dealt with the subject in the United States, including the great convention of governors, attorneys-general and insurance commissioners of all the states, called by President Roosevelt. Can the fact that our Commission employed as their sole actuarial adviser the actuary of the Armstrong committee, explain their recommendations?

"The Commissioners are men of the highest character, whose intentions were unquestionably of the best. As they probed into the affairs of the companies they were an unqualified success. Life assurance is, however, a vast subject. It is immensely more intricate and difficult than banking. To expect three gentlemen without any experience in the business to frame a new code of laws for it, is to expect too much, no matter how estimable and well-intentioned they may be. It is unreasonable.

"They simply must take expert advice, and if they are confined to one adviser they are bound to be immensely influenced by that adviser, no matter how peculiar his views may be. Had the Commissioners employed any prominent British actuary their report would unquestionably have been very different. Or they could have followed the recommendations of the united Canadian managers. Those managers, however, could sneak but once, and in public, while their American adviser had their ears at all times. Besides, they had the Armstrong report before them as a text book. The result we have before us.

#### What Are Reputable Stocks?

"Some of the points on which the Commissioners differ from the Armstrong committee are worth noting. For example, the New York law eliminates stocks from the field of investment and our Commissioners would eliminate all stocks—except bank stocks with their double liability. Then, too, the Armstrong committee penalized rebating by making it criminal to either give or receive a rebate; our Commissioners would provide that any person may bring suit against any director or manager of a company, and if he can show that any agent of that company has given a rebate, with or without the approval or even the knowledge of such director or manager, a fine of \$1,000 can be collected from such director or manager, one-half of the amount to go to the person bringing the action. They further recommend that any agreement of the company to indemnify a director be void.

"The united Canadian managers are keenly desirous of making our insurance law just as perfect in its way as our banking law, and it can be done. With this object they held between fifteen and twenty lengthy sessions and finally agreed unanimously on a number of very important and very valuable recommendations.

"Some of the suggestions which were thus originated by the Canadian managers have met with such approval in the United States that they are likely to be incorporated in the laws of a number of states. Our own Commissioners, however, have brushed most of them aside in favor of the Armstrong provisions. There were, however, points of vital importance covered by our recommendations in regard to which the Armstrong report was silent. So far as my hasty examination has gone the report of our Commissioners in regard to these points is also silent.

"The Commissioners eulogize the British system of 'Freedom and Publicity,' but they proceed to frame the most distinctively un-British legislation that can be imagined. We, of course, should not condemn a thing because it is American any more than we should adopt it because it is British. The American system of restriction and regulation has, however, brought terrible disasters and immense loss to American policyholders, while the British system has worked marvellously well. We want the best whether it be British or American, and it is only by following this principle that we can hope to work out something distinctively Canadian and better than either."

[Further opinions will appear in next week's issue of the Monetary Times.]

#### EDITORS CRITICIZE INSURANCE REPORT.

The following are a few expressions of opinion called from the Canadian press:—

**Hamilton Spectator.**—It is not unlikely that the discussion on the report in the House will be both long and loud.

**Toronto Mail and Empire.**—What the Commission has found out most people knew before that tribunal held its sittings.

**St. John, N. B., Sun.**—Under the circumstances it is natural that the Canadian Commission prescribes practically the same remedies for existing evils as those advised by the Armstrong Commission in New York.

**Montreal Witness.**—The best recommendation of all in the report is "more publicity." The British companies are under no regulations, except an effective rule of publicity by whose operation they are kept very straight.

**Toronto World.**—The public will do well to await the more detailed publication of the results of the Dominion enquiry, which will come when the report is made available and its contents can be more fully reproduced.

**Toronto, Globe.**—It will be generally agreed that it is an impartial and courageous public document, and ought to have an enormous influence in putting insurance in Canada on a sounder and more enduring footing than it has hitherto been.

**Hamilton Herald.**—The report will not go into history as a notable document or as a very helpful one. It consists mainly of a summary and analysis of the evidence taken, together with recommendations which are conservative even to timidity.

**Toronto News.**—The whole conditions surrounding the insurance business in Great Britain and in Canada are so markedly dissimilar, that to attempt to substitute the British system of freedom and publicity might be fraught with the gravest danger to our whole commercial fabric.

**St. John, N. B., Globe.**—After the revelations of insurance management both in the United States and Canada, public opinion has strongly favored the adoption of legislation that will safeguard the interests of the insured, and the report of the Commission will no doubt lead to that result.

**London Free Press.**—There is another and a decidedly valuable side to the report of the Commission. This is in relation to the methods by which the insurance companies are financed. Certain of these methods are bared to the public gaze, and must lead to reform if the insurance concerns would continue to hold the confidence of the people.

**St. John, N. B., Telegraph.**—The report abundantly proves both the need for and the value of the investigation. It breathes thoroughness and impartiality, and outlines a plan of insurance reform which will, no doubt, result speedily in legislation establishing the business upon a sounder footing, greatly increasing the protection to policyholders and materially enhancing the value of their investments.

**Montreal Herald.**—It is no exaggeration to say that the report of the Royal Commission on Life Insurance means, if its recommendations are in any appreciable degree carried into effect, a revolution in the business of insurance. It will be objected that the report is written from a standpoint entirely out of sympathy with modern practical insurance. The criticism will be entirely true. Revolutions are seldom brought about by persons in intimate touch with the system against which they are directed. This report is frankly revolutionary, and if the country does not think there is room for a revolution in the life insurance business it has no prospect of acceptance.

#### LIFE INSURANCE.

The Pelican and British Empire Life Office has appointed the Rt. Hon. Lord George Hamilton, G.C.S.I. to be deputy chairman of the company.

The Missouri superintendent of insurance is down upon the "town mutuals," or as we would call them, township mutuals operating in that State. They have attempted to spread out beyond their townships, and do a large business on a small investment, or no investment at all, and hence have come to grief. Since 1899 some 70 of them have been operating in Missouri. They have all gone to pieces except fourteen, and three of these are now totally insolvent, with the losses of last year still unpaid.

It is proposed to protect insurance agents resident in Victoria, B. C. who pay a license for doing business in that city, from the depredations made upon their rightful business by "tramp" agents, life agents especially, from Seattle, Vancouver, &c., by a new by-law. This will provide that no person shall be permitted to do insurance business in the city without having first paid the regular license. Until this is forthcoming they will be prohibited from doing so

in any shape or form for any infraction of

An English writer that he needs a piece of work. He says: "I work fully as much for without the proper applications would be designed to furnish going on, and to get a grasp of the situation ter fit an agent for

The Executive Insurance, President, land chairman. His This is a large sum this United States Executive are Pa Thomas A. Buckner Fiske, vice-president of the Home; Sylvester, and L. G. Fousdelphia.

At a meeting la Society Board, Pau A. Day, formerly vice-president; George, becomes second assistant secretary, Brown, formerly d dent Morton report disbursements went remaining 20 per cent business.

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This important motto the words "have achieved during words it appropriate greater in 1906 than greater than in its have had good divi The business of the cies issued, covering assurances in force Income has doubled done between 1891 a to \$24,292,000, a splat at 3½ per cent per cent since.

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