

We think the balance of good is in favour of the elective principle. Commissioners would be practically irresponsible. They would be in dread of no electors who would have the power of rejecting them next term. They might use their independence for evil as well as for good ends, as Boss Sheppard and his gang certainly did. As the citizens could not elect them, how could they be appointed? An authority foreign to the electors would have to be called in to make the selection; and we know that governments do not always make the best selections; it is not at all certain that commissioners selected by the government would be purer than the common run of our Aldermen. A different class of men they might be; but we are not entitled to conclude that they would in the end prove better. If the commissioners had all the functions of the present councils, they would exercise a great deal of arbitrary power, which would be all the more intolerable because it was arbitrary.

We cannot think that the abandonment of the representative principle in our municipal government is the true remedy. The municipality underlies our whole scheme of government: it is the foundation on which we have undertaken to build. If we commence a course of reaction, where shall we end? There is no danger of reaction yet; but if the elective principle were discarded in our municipal affairs, the masses might find that it was less easy to master the rudiments of political education. In spite of all the practical defects of the electoral system, we have not lost our faith in it; and we trust that the tree will not be cut down because it may be found to have some sapless and withered branches.

FIRE INSURANCE—THREE YEAR RISKS.

For some time past the practice of effecting fire insurance risks for the term of three years by a present payment of two years premium, has prevailed so extensively—and in many instances been so grossly abused, that the Board of Fire Underwriters in this city, alarmed at the demoralizing tendency, have felt it their duty to consider the whole subject, with a view to its modification or restriction to more reasonable limits. We should not have referred to the subject in its present stage, but that the report of a committee on the matter has found its way into print, and therefore it is now no breach of privilege to discuss its merits. The committee recommend that "academies, churches, colleges, convents, nunneries, public schools and dwellings may be insured for three years at

double the annual tariff rate;" from which we infer all other classes of property are to be continued on the annual system, or for one year only at the full yearly rate. At present we know the practice extends beyond these limits, embracing government and municipal buildings—besides charitable institutions other than those mentioned. We rather admire the consideration evinced by the committee for ecclesiastical and educational institutions; and the kindness shown towards convents and nunneries, almost inspires the belief that they too are under the influence of the great hierarchy.

But we confess some difficulty in clearly discerning the line the committee recommend to follow. If it is *public property* that is to be thus privileged, should not the class comprise besides "public schools,"—city halls, market buildings, police courts, county buildings, registry offices, hospitals, &c.? If *charitable* institutions are to be the recipients of a third year's insurance for nothing, why should "convents and nunneries (including the House of Providence)" be those only specified? What about the House of Industry, the Newsboys Girls', Boys', and Protestant Orphans' Home, and many others equally deserving? Then as to dwellings, these have no claim on either the public or charitable score, and why they should all be lumped together with their "barns and stables" is certainly not because the insurance companies regard them equally,—surely the committee do not appreciate a row of twenty or thirty frame two-story houses, with three or four families in each, constantly changing and occasionally vacant, equally with a brick or stone mansion occupied by the owner, and situated on its own grounds with a hundred feet or yards from any other endangerment. While, if it is on their *comparative safety*—why should not our banks, insurance offices, building and loan offices, and, for that matter, warehouses, stores and factories, which may combine all the elements of safety in construction, careful protection and accessibility to fire extinguishing appliances, be just as equally entitled to cheap insurance as the richly endowed, or government educational buildings? In fixing the rate chargeable for any risk or class of risks, the Insurance companies can only arrive at the exact amount by a careful classification of their business, and by a record of the amounts received by way of premium, and those paid in losses extending over a series of years; this, combined with the experience of other companies, and with sufficient loading for expenses of management, enables them to fix the annual

rate; and it is evident if one-third of this amount is waived on a large proportion of their business, the deficiency must be made up elsewhere, or, in other words, from those who pay annually. Now, to say to one class of customers, "You may by paying two years premium obtain three years insurance," and to another class "You can only insure by paying the annual rate year by year," savours very much of class legislation, palatable enough to the former, but very distasteful to the latter. Does any man ever expect to get three houses insured for the premium on two? Or the owner of three vessels of equal value by insuring two of them expect a policy on the third for nothing? Or would any Life-policy holder expect three years insurance for two years premium? And yet this absurdity is practised daily by fire offices apparently without any limit.

We hold the principle entirely wrong, and the practice fraught with mischief, and tending to demoralize the business more than any other cause. Insurance companies, to meet their liabilities, must not only have rates high enough but premiums frequent enough, but to forego from a large class of the public one-third of what is justly due, is only to take the burden from one's shoulders to put double weight on the others—a proceeding alike arbitrary and unjust.

LIFE INSURANCE.

The business of Life Insurance has, like every other, had its reverses, in the States, within the last few years. Prior to 1870, the business had been pushed with feverish energy, and had assumed somewhat abnormal proportions. Since that date, the number of companies has been reduced by about one half, partly by amalgamation and in a less degree by failures. Amalgamation is perhaps hardly the right word to express the taking over of the business of companies that stopped by others that went on; but the process will be understood. The total amount of the losses, actual and probable, is said not to exceed five or six millions. The companies which failed in the State of New York held one-seventh of the outstanding policies; but it is said that the greater part of this amount will be saved to the policy holders. In some cases, detected fraud was followed by condign punishment; and the weeding process, following the law of natural selection, has cast off the rottenness and left standing what is vigorous and sound. It is sometimes said, by way of apology, that life insurance has suffered less, in actual losses, than the average of other kinds of business; but the compari-