

reason why this should be done, in order to strengthen the hands of the present insurance combine.

We trust therefore you will do what you can to have reasonable restrictions only on these companies, and not such as makes them prohibitive.

We are, yours very truly,

GILLIES BROS., LTD.

per. J.B.

P.S.—For your information we may say that the same British stock companies doing business in New York State, charge us decidedly higher rates in Canada than in New York State for the same class of risk.

Extract from letter of the Lumber Mutual Fire Insurance Company, of Boston, Mass:—

April 2, 1909.

Re Section 71, Subsection 'C.'

This section, if enacted in full, would result in the termination, to a large extent, of the advantages enjoyed by the Canadian policy-holders of the Lumber Mutual and allied companies. These companies are mutual in the fullest sense of the word, in that they are associations of policy-holders. There are no stockholders with invested capital. Each policy-holder, Canadian or United States alike, participate *pro rata* in the profits of the companies, as declared by the directors, who are elected from the policy-holders.

A special line of insurance only is written, and the benefit to lumbermen and woodworkers cannot be estimated by the relief in dollars and cents saving.

The situation without the privilege of this form of insurance is to be considered. The Canadian laws require a deposit of \$100,000, with the Minister of Finance, from a United States company, or a less amount if the license is limited to one or more of the provinces. There is no special provision made for the admission of a United States mutual company, operating solely in the interest of its policy-holders. A measure which would admit such companies by fixing a standard of financial standing and making them subject in all other respects to the general laws of the Dominion, including payment of the same scale of fees, taxes, &c., chargeable to other companies, is suggested. If, in addition, a deposit must be made, let it be proportionate to the character of the business transacted. The mutual lumber insuring companies are not making a raid upon Canadian business for revenue. They are only seeking to extend to the citizens of Canada the same benefits that are given to the lumbermen and woodworkers on this side of the line.

If these relations are ended, it will surely be a loss to the Canadian policy-holders. It is therefore urged that you prevail upon the member of parliament from your district to work for special legislation, which will place these mutual companies in a separate group, entirely distinct from the stock companies, with requirements for legal admission to justly conform to the circumstances.

MONTREAL, April 5, 1909.

The Committee of Banking and Commerce,
Ottawa, Ont.

Re Proposed New Dominion Insurance Act.

GENTLEMEN,—We wish to place ourselves on record as strongly opposing the provisions of the above-mentioned Act, section No. 71, and urge that nothing shall be incorporated in the new Insurance Act which will restrict freedom in obtaining in-