

bill, and in the great confusion of sections it has been very difficult to me at least to understand what were the fundamental principles of the Bill, or what would be the general or bulk effect of the bill upon the interests involved. I wish to say just here that I represent in my own person three interests affected. I am a policyholder, I am an agency manager and I am also a stockholder, so that I can speak from personal feeling.

The sections of the Bill may be grouped in three groups. The first group is that group of sections which relates to the organization of companies and the specific conditions under which they may begin to operate, and begins with the first section and goes on to section 36. These sections all taken together represent the first step in the evolution of insurance law and about which I have nothing to say at the present moment. The second group of sections refers to an entirely different matter, namely: the superintendent and his duties (Sec. 37), the valuation of policy contracts (Sec. 42), the assets necessary to maintain solvency on the basis of valuation established (Sec. 41) and other cognate matters, as for example, investments (Sec. 59.) This group of sections represents the principles involved in the second stage, historically considered, of the evolution of insurance law and involves what is popularly known as the standard of solvency. I have nothing to say particularly about this second group of sections of the bill, except this, that I recognize one or two rather important changes. First, the promotion of the Superintendent and his office to greater dignity which I believe is in keeping with the trend of the insurance business. I desire to say also in regard to the office of the Superintendent, that I believe there has been no factor in the whole business of Canadian life assurance that has made for the best interests of the business to any greater extent than the Department of Insurance with the superintendent at its head. I do not believe that we really appreciated in this country the full significance and bearing of that office upon the business of life insurance. It is only a man who goes into the foreign field, and who has come to learn to depend upon the value of that Department who can fully appreciate it. Second, I consider that sub-section 3 of Section 42, whereby the mortality gains from new business may be deducted from the reserve valuations, a valuable change, and third, section 52 providing for amalgamations also important. That represents then the two groups of sections in the bill representing really what was our old insurance law plus such amendments as were thought necessary. Now in all points where the old law has been amended so far, I believe it has been amended in such a manner as to advance the interest of the insurance business and the interests of the policyholders.

But we come to another group of sections which involves an entirely different question. We have dealt on the one hand with the law as it affects the beginnings of the companies, and on the other hand with the law dealing with the solvency of the companies, but here, in this new group of sections, is raised a new standard involving new and untried principles, a standard which, for want of a better name, I shall call a standard of excellence. Almost all the controversy over this bill has raged, if I may so put it, around this attempt to fix an arbitrary standard of excellence. I admit that I am heartily in sympathy with the purposes of this group of sections though I am no longer in sympathy with the method. You can hardly realize unless you have been in the foreign field and have been in competition with the great American and English Companies, how necessary it is that your national system of insurance be the best in existence and that the character of your company be above reproach. In Canada here where the companies are all known it is really a different matter, because the people have confidence in the Insurance Department, they know a good deal about the companies and about the men who manage them, but when you go abroad it is necessary that you have in your heart the conviction that the company you represent is an absolutely first class company, that the system is a first class system and the superintendent a man free from political influence, appointed for life under the Civil Service Act as is the case with our Superintendents. And therefore I conceived it as desirable that any other thing which could be added should be added to the law to establish more firmly the conviction in the minds of the companies' representa-