before another security would offer in which we would wish to invest. Therefore you would practically tie up the sale of the securities. In other words there might be a certain period in which the investments in Canada would far exceed the requirements of this Act while at another particular time it might be just the reverse.

Secondly.—To make the best results investors must have the entire field of investment open to them in order to select from it the investments that in their judgment would be safe and profitable at the time for the funds of life insurance. Narrowing this field by laws, limits the field of investments, and shifts the responsibility for the success or failure of the business from the management of the company where it belongs to the shoulders of the members of the legislature who have made the law.

Thirdly.—Such a law is a very serious reflection on the resources of the jurisdiction that passes it. Canada is a rich and commanding country in which capital has hitherto voluntarily gone and where it has found safe and profitable investment. Are we the people of Canada ready to concede that its attractiveness to capital has deteriorated and must be bolstered up by laws compelling investments within its borders? Compel investment by law and you frighten the investor.

Section 94 refers to the ascertainment and apportionment of dividends to 'each class' of Tontine Dividends. The words 'each class' are not defined. In detail to the Annual Report however, a class of policy is intended to include the different kinds of policies; for instance, Whole Life, 20 Payment Life and 20 Year Endowment, etc. It would be very difficult for the Company to comply with this definition of 'each class' of policy. Heretofore our definition of 'each class' of policy had reference to the Tontine period, for illustration all 20 Year Tontine policies of a certain year of issue were considered as a separate class.

Section 94 again provides for an ascertainment and apportionment quinquennally of dividend on deferred policies and compels the company to carry the sum so ascertained like the reserve as a liability. This we do not object to, and indeed it is substantially the Company's practice. The only part that we object to is the attempt of the Bill to make such sum a positive and absolute liability of the Company. This is impracticable because in such a case a depreciation of securities would have to be charged against some fund, and if the contingency reserve were exhausted by the depreciation of securities the only fund against which such depreciation could be charged would be this deferred dividend fund. We therefore suggest some such amendment as follows:—'Provided however, depreciation in the market value of securities from the book value be deducted from the total amount of the surplus apportioned to deferred dividend.

Section 96 provides that the policy 'shall be incontestable after two years from its date.' We think this should be modified so as to read: shall be incontestable not later than two years from its date' so if any company wishes to take a shorter period which we are doing at the present time we would not be barred from it.

Section 96: again the bylaws of the New York Life Insurance Company contain no provision relating to surrender values. In order to avoid any misunderstanding would it not be well to add to this section a provision substantially as follows:—'Unless the policy shall contain in figures, Cash loan, Paid-up and Extended Insurance values for a period of at least ten years.'

These you will notice are comparatively minor suggestions. We think the Bill as a whole has many good measures.

Yours very truly,

J. G. PELTON,
Agency Director.