

personal mistakes, and I think practically none of any personal wrong-doing. Paternalism may be carried too far in legislation.

5. But it must be borne in mind that the effect of this sort of legislation will prove harmful in another way. Under the stringent provisions of the Bill, the companies will be compelled to place a loading upon their premiums; or, in other words, raise their office premiums. This will greatly increase the cost ultimately to the insuring public and lessen the benefits of insurance without bringing any compensating gain. It will tend to force the insuring public to secure protection in less sound organizations than our regular life insurance companies. The ultimate result of this would be very bad. The only way to escape it would be to operate under provincial charters.

5. Take a company of medium size, with \$12,000,000 to \$15,000,000 business on its books. The extra clerical help to carry out properly the details of the new Bill will cost at least \$3,000 a year. This is equal to 5 per cent on \$60,000 of assets.

7. I wish further to state that the adoption of the Om5 at $3\frac{1}{2}$ per cent as the net premium and the adding of the heavy loading that will be required for working expenses under the new Bill, will practically put Canadian companies out of business as compared with the Canadian branches of foreign and British companies. The Om5 at $3\frac{1}{2}$ is net, and the working expenses must come from the loading. This loading must be high. The result will be a decided increase in the cost to those who wish to avail themselves of the protection of life insurance as compared with the present.

8. Too much is made of the policyholder's side of the case. He is liable for nothing. The payment of his premium is quite voluntary. For this premium the company becomes liable for the face of the policy and for the surrender value or paid-up insurance. If a person goes into a store and buys a large quantity of goods he is not entitled to take part in the management of the store. Depositors have no right to say in the management of the bank in which they place their money. In a life insurance company, for the premium paid, the insured receives a contract in the form of a policy. If one buys a farm he receives the farm, but no right to manage other farms owned by the person from whom he made the purchase. The shareholder is liable for the unpaid portion of his stock, and only receives dividends on the paid portion. I think policyholders might be granted some representation but not one-half of the board. I am firmly of the opinion that this should be left to the companies to do as they may think best. Competition will regulate such matters.

9. This Bill is retroactive in a very unfair way. It compels the companies to assume new liabilities on its old business by changing the rate of interest and other conditions, but does not allow the companies to change the premiums on that old business. In other words the liabilities are increased on contracts already made, but the companies have no means of increasing the assets to meet these new liabilities. It is similar to asking banks to pay 4 per cent. on by-gone accounts arranged for at 3 per cent.

10. It is a violation of vested rights. It is taking away from the shareholders the rights that belonged to them under the laws of the land. This is one of the most dangerous of all things, as it creates a lack of confidence and people will not invest in new enterprises. Woe to any country when such becomes the case, and people become afraid to invest their money because they have lost faith in the stability of the laws and the recognition of their rights. It is better that a thousand should escape than that one innocent person should be condemned.