

business in both ways ; they do business under the assessment plan, and under the general plan, and under the wording of this clause it might be possible that a company that did business in both ways might be exempted from the operation of the Consolidated Insurance Act. The suggestion is that, after the end of the 20th line, after the word "purpose," we insert the words "not otherwise."

HON. SIR ALEX. CAMPBELL—I do not think it is necessary ; the language is plain enough. This Bill as it now stands provides only for those companies which do business in one way—that is pay liabilities solely from the proceeds of assessments or dues collected from the members thereof for that purpose.

The clause was agreed to.

On the third clause,

HON. MR. POIRIER—I would like to ask the Minister of Justice if it is understood that such companies are bound to make a report at least once a year, or can they intermit one year, and just make their report when the Minister of Finance or the Superintendent of Insurance thinks proper?

HON. SIR ALEX. CAMPBELL—They are obliged by this clause to make a yearly report, and also to report when asked to do so, and in that way they may be required to make two reports annually.

The clause was agreed to.

On the sixth clause,

HON. SIR ALEX. CAMPBELL—I propose to leave the sixth clause out altogether as the provisions of the 12th clause render it unnecessary.

HON. MR. POWER—The provisions of the sub-clauses of clause five all apply to foreign companies doing business in Canada ; and the object of the sixth clause is to make certain sub-clauses of clause five apply to companies incorporated in Canada. I think it is a very proper provision, when a company of this kind is incorporated in Canada, that the death

claims shall be a first charge, and that the money for such claims shall not be used for other expenses. I submit that for the protection of the public clause six should remain.

HON. SIR ALEX. CAMPBELL—There is no occasion to apply the sixth clause to ordinary companies.

HON. MR. POWER—Clause six makes the subclauses of clause five apply to companies doing business on the co-operative or assessment plan, that is all. Perhaps the hon. gentleman will consider the suggestion.

HON. SIR ALEX. CAMPBELL—I will mention it to the Superintendent of Insurance. I move that the Committee rise and report the Bill.

HON. MR. WARK—As the subject of insurance is so seldom before Parliament it might be an opportune time to introduce an additional section which shall be a further amendment of the Act to which this Bill is an amendment, to afford a greater security to parties insured in Mutual Companies. These companies were established in order to insure at a cheaper rate than stock companies, because it is claimed that where no stock is subscribed, the management is less expensive. Where no stock is subscribed, and there are no stockholders, Mutual companies require no such profits, because the insured are under their own management or under their own liabilities. They induce individuals to insure under their management with the assurance that nothing more would be taken out of the proceeds than what was actually necessary for the management of the affairs of the company. A stock company, whose officers are appointed by the stockholders, are guarded against any unnecessary expenditure, whereas these companies have no such check upon them. They may appropriate whatever they think proper towards salaries and expenses, and the insured, who are scattered all over the country, are not present at the meetings. The Directors write to the insured for proxies, and re-elect themselves. I have had some transactions with the Union Mutual Company of Maine. Some years ago the

HON. MR. POWER.