

continue systems and methods of which such a record is the result. To avoid this terrible drain, they can very well afford to pay fifteen, or even twenty per cent., if necessary, as a level commission on the future income producing business; and I am sure that the adoption of this innovation will work for good in every direction.

In conclusion, permit me to emphasize the disability under which I have been labouring in endeavouring to draw proper attention to a most flagrantly wrong condition of things. I regret this exceedingly, because the matter is one that we cannot afford to ignore. We are face to face with the most serious problem that has ever yet confronted the beneficent institution of life insurance.

The official managers of the companies are capable and efficient, and they are perfectly able to deal with this question justly, fairly and promptly, if they will resolutely make up their minds that it is something that must be acted upon and decided *now*, and they cannot do anything more calculated to hand their own reputations over to unqualified condemnation than they will do if they indolently permit the present abominable condition of things to continue without protest or effort to effect its betterment.

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**PRESIDENT OF MONTREAL BOARD OF TRADE.  
RETURNS FROM CONGRESS OF IMPERIAL  
CHAMBERS OF COMMERCE.**

Mr. F. H. Mathewson, president of the Montreal Board of Trade, and manager at Montreal, of the Canadian Bank of Commerce, has expressed himself as being well satisfied with the result of the visit of the Canadian delegation to the Congress of Imperial Chambers of Commerce, held in London last month.

The speeches delivered by the Montreal delegates expressing the views entertained by members of the Montreal Board of Trade, and published in the English newspapers, Mr. Mathewson considers, has tended largely to create a very favourable impression on the people of Great Britain, towards the opinions of the Canadian delegates.

Mr. Mathewson thinks that Mr. Chamberlain will remain a strong force in English politics for some time, which fact will accomplish much towards a change in England's fiscal policy.

Mr. Mathewson was greatly impressed with the knowledge displayed by representative Englishmen, regarding the resources of Canada, and its great future.

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OTTAWA CLEARING HOUSE.—Total for week ending August 9, 1906—Clearings, \$2,603,734.82; corresponding week last year, \$1,904,973.04.

**FOREIGN LIFE COMPANIES IN GREAT BRITAIN  
NEED NOT DEPOSIT FUNDS FOR SECURITY  
OF POLICY-HOLDERS.**

Thus the Select Committee of the House of Lords appointed to inquire into and report on what steps should be taken by the deposit of funds, or otherwise to provide adequate security to the British policy-holders in life insurance companies which have their chief offices outside of the United Kingdom, but which carry on business in this country, sums up its finding. The committee found an almost unanimous opinion among the leading British actuaries and life insurance managers against compelling foreign companies to deposit funds for the security of British policy-holders, their reasons being that it would be contrary to the principles in regard to insurance companies which had hitherto prevailed in Great Britain, that it would violate the principle that the whole of the funds of an insurance company should be available for the claims of all policy-holders alike, that it might lead to reprisals on the part of foreign governments, that it might lead the public to believe that the solvency of the companies making the deposits was guaranteed by the Government, that such deposits might seem to imply a statutory basis for valuation, the tendency of which might weaken rather than strengthen the reserves, and that such deposit of securities would appear to give an unfair advantage to British subjects holding policies in a foreign company, while under such a limited state of supervision it was doubtful whether the policy-holders would be as well protected as they are by control through publicity and the freedom which exists in regard to British companies. This evidence, according to the report, induced the committee to recommend against foreign companies being required to make deposits.

Continuing, the report says that although the committee cannot recommend that any obligations be placed on foreign companies to which British companies are not liable, in its opinion, foreign companies should be placed so far as possible in the same position as British companies. They should, in fact, be made as far as possible to comply with the requirements of the Life Insurance Companies' Act of 1870, which insures a full measure of publicity of the accounts of the British life insurance companies and gives ample legal remedies to policy-holders. Some amendments to the act might be made, in view of the great increase in the insurance business. The deposit of \$100,000 which the Act makes obligatory on the part of any new company, foreign or British, prevented the formation of "mushroom companies," but under the Act it is permitted to withdraw this deposit as soon as the premiums amount to \$200,000. The committee was aware that \$100,000 would be of little use to meet