

tion 3 will not prevent a company doing business all over the Dominion though incorporated by provincial charter. It can comply with laws of other provinces without coming under this Act.

109. What has just been said applies here. A company may incorporate in Ontario. It may then, with the statutes, operate in Quebec. In this way the whole Dominion may be covered. This regulation will certainly force companies to operate under provincial rights, and I wish to utter a word of warning. It is very easy to go too far. It will be quite impossible to secure the consent of the policyholders in the event of the conditions foreshadowed in 110 (2).

110. Discusses valuations and the interest to be used. It states that any standard table of mortality may be employed. This does not tally with 42 (2) where Hm table is laid down, nor with (3) and (4) of section 53 where the Om5 table is taken as the basis on which the loading is to be computed for the purposes of calculating the expenses.

111. I have no hesitation in saying that this section is unworkable. It is so complicated that it cannot be made effective. It is beyond the wit of man to allocate the various share of profits and losses that should go each way as is here attempted.

113. *Et seq.*, dealing with assessment companies, I am strongly of the opinion in the main are very wise; but I am equally strong in my opinion that a clause should be inserted permitting an assessment company to become incorporated after the passing of the Act, provided it agrees to maintain on all its ordinary life policies the reserve as per, say the Om5 table. This much should surely, and could very safely, be conceded to the purely mutual co-operative spirit of the age. The regular, all life net premium on Om5 table could be selected and divided up into monthly or quarterly portions and collected as assessments. This would meet death claims and lay by the proper reserve. The working expenses could be secured from an extra charge or capitation. Such a company would be under inspection and would be just as safe as say the Mutual of Canada, which is exactly what I am now indicating, the loading in such a company as the Mutual of Canada taking the place of the capitation for working expenses. This would be scientific assessmentism and absolutely sound should any body of men wish to operate it. Why shut it out?

148. Seems to me to be very uncalled for. Subsection 6 regulates method of paying for shares. Why prevent a person, or all the shareholders paying in more rapidly than as laid down? I think it is a very foolish restriction.

Why subsection (9) is here dealing with reinsurance in the section dealing with the organization or promotion of a company, I am at a loss to know.

Let me now offer a few general comments:—

1. I see many fine features in your Bill. You will, therefore, believe that when I speak frankly I am in earnest and honest. I am not a cavilous but a friendly critic. I wish you every success in your efforts to give the country a good insurance Bill. I am asking you not to make it too rigid and thereby make it unworkable. Please be careful that in loading the Bill with so many requirements of keeping profits in classes, allotting profits annually, gain and loss statement, large boards, quarterly returns, &c., the operations of the head offices are not made so expensive, that, with the limitations now placed upon the total expenses, there would not be sufficient for the field work. It may then become impossible to do business at all.

2. If the Act imposes too many restrictions it may invite failures. This is a very serious aspect of the situation. Then, again, the growth of the companies may be seriously retarded. In the state of New York during the past four years the total amount of business in force in the large companies has enormously decreased.

3. Life insurance is now one of the largest and most important of all the financial institutions in this country. It is a valuable education in methods of economy among the people, while the funds of the companies have been used for the upbuilding of the country.

4. There have been no failures in this country and very few instances of any