A CONTRAST WITH THE INSURANCE ACT.

Now let us turn to the Insurance Act. The Insurance Act, unlike the Customs Act, is not intended to benefit anyone but the dear public. The Government in effect says: "Before you can do the business of fire insurance with the people of Canada you must show you have sufficient financial strength to be entitled to confidence; you must put up with us an amount sufficient to cover your liabilities to the public, you must submit to a rigid inspection, and if as a result of this inspection you are found not to measure up to our standard you must stop doing business." Briefly, that is what is required of us. And no exception can be taken to that either, for the insurance companies are exercising a quasi-public function; they practically hold the public's money in trust, and it is the duty of the Government to see that the public is reasonably protected. But as the Customs Act has its dumping clause, so has the Insurance Act—only we are the "dumped." Section 139 provides that: "Notwithstanding anything here-"in any person may insure any property situated "within Canada with any foreign unlicensed fire in-"surance company"—the unlicensed company must be *foreign*.

AN ILLOGICAL SECTION.

It is difficult to follow the reasoning of this provision in the Act, which practically nullifies all that has gone before. The prohibition against insurance companies doing business with the people of Canada until they have complied with Government requirements is either necessary or it is not; it is either good or bad. It cannot be both. If it is necessary, if it is good, why not have the courage to say so, and insist upon every company desirous of doing business with the people of Canada complying with the very reasonable requirements; if it is unnecessary what is the sense in an Insurance Act at all? We can't have too much of a good thing. Let the benefits of unbridled insurance be as widespread as possible.

A brief review of what led up to the revision of the Insurance Act and the adoption of the clause by which we were "dumped," alluded to above, may be of interest.

Three years ago a revision of the Act was proposed, and a few of us, realizing that the unfair competition of unlicensed companies was a growing evil, journeyed to Ottawa to recommend to the Government that the obvious intent of the Act, to shut out such companies, be made effective. Up to that time it was simply provided that no company could do business in Canada until it had complied with the Act, but the doing of the business by companies having no place of business in the country, and by parties not resident in the country, was such a difficult matter to check up or to get hold of that the Government, while expressing sympathy, did not quite see what could be done to meet our wishes. The humble individual who now has the honor of addressing you, as a result of practical experience in prosecuting under the Act, saw that, while it was not easy to get in at the doing business stage, there were some processes in connection with the business that might be more readily reached, so he rather prided himself on the few words he suggested as an amendment, viz.: "inspects any risk or adjusts any loss." Then the row began. There was no revision that year. Such a storm was raised by the "Made in Canada" brigade that the Government thought they had better take time to think it over, and so it was postponed till the following session.

Once more we went to Ottawa, prepared this time to tell our law makers what in our opinion was necessary to safeguard the interests of the people trusting the companies, and to preserve as far as possible to the companies complying with the laws of Canada, Canadian business. We had no ulterior object.

What did we find? We found arrayed against us the highly protected manufacturer, the bounty-fed manufacturer, the merchant prince, the big lumber operator, a transportation interest, the young Napoleon of finance, and sundry other interests, including, if you please, represented by counsel, the unlicensed insurance interest! Can you imagine anything more nervy than that—companies flouting the authority of Parliament appearing before Parliament opposing what companies conforming to the laws proposed! That struck me as being the limit.

And what was it brought out this array of talent? Was it that we were charging too much for the service rendered? *Our* statistics didn't shew anything to be ashamed of in that respect. Our profits are not inordinate, considering the risks the capital is subject to. Was it because of any complaint on the score of paying losses? The record at Ottawa, Toronto and other serious drafts upon the resources of the companies proved that they discharged their liabilities promptly and honorably.

What nearer approach to ideal conditions could be hoped for—doing the business upon as close a margin as consistent with safety, and ability to meet all losses no matter how severe.

WHAT PROMPTED THE OPPOSITION.

It was difficult to make out just what prompted this opposition, but from what one could make out from listening to the various tales of woe it would appear that the objection was under three heads: (1) Canadian manufacturers should not be denied the privilege of insuring in Mutuals; (2) Fear of being at the mercy of a combine; (3) Higher rates charged by licensed companies than could be obtained outside.

The first of these is the only serious objection, but as the licensed companies are in a position to give just as good inspection service and insurance at very nearly, if not quite as low cost (the difference being inconsiderable) it is really no hardship on those who owe so much to Canada to favor the companies complying with the laws of Canada.

The second objection is not well founded, as aside from the companies outside the Association, the competition between companies and agent of companies in the Association to get business is such that the difficulty is to keep rates up to what they should be. The tendency is constantly downwards.

The third objection—the lower price—is very human, but how about that dumping clause? It may be admitted that lower rates can be obtained from unlicensed concerns, but suppose they are selling indemnity below cost? Have we not as much right to be protected against that sort of thing as the manufacturer under the dumping clause? The manufacturer, whether protected or bounty-fed, collects from the rest of us—you and me—to help him in his "enterprise of life"—just as truly as if we handed it over to him direct, that is to say, he takes our