

cally against foreign business and why a paragraph to that effect should have been incorporated in clause 53 of the Bill, I cannot understand. If you will turn to that section you will find in sub-section 4 the paragraph to which I refer. 'Provided, however, that the excess of any such company's office premium for tropical, sub-tropical, sub-standard or other classes of lives assumed to be subject to extra mortality, over such company's office premiums for normal Canadian lives, shall not be considered a part of such loadings.' Why this should have been put in the Bill and who instigated it is more than I can conceive. Why a direct disadvantage should be placed on foreign business when it is a most profitable business for the home companies, I cannot understand. But not only does this special section apply to foreign business, but the introduction in the Bill of that whole section 53, together with section 87 and section 90, relating to estimates and deferred dividend policies, also sections 54 and 55, specifically, every one of them in their bulk effect hits directly at foreign business. The six Canadian companies doing foreign business last year did \$22,000,000 of new business. We brought into the country over \$5,000,000 in premiums, and that is only the beginning. It will not be many years before \$50,000,000 will be brought into this country by our Canadian companies if we are not restricted by the Act. Do you think such restriction wise? I will give you an illustration of my own actual experience. Eight years ago—you will pardon me referring to my own business, I only do it to point a—

The CHAIRMAN.—Point a moral?

Mr. TORY.—Point a moral, if you will. Eight years ago I began the organization of a section of foreign territory in which we had previously done some business, but in which the premium income was less when I began than it had been three years previously. By close application to business and the adoption of skillful methods the production from that territory has steadily increased until last year the premium income was over \$479,000 hard cash from that one organization alone. Do you wonder if I feel keenly when the bill proposes with one stroke of the pen to destroy that business?

Hon. Mr. FIELDING.—Where is the clause that destroys it?

Mr. TORY.—I mean the sub-section of 53 commencing just down below line 40, Mr. Fielding.

The CHAIRMAN.—Sub-section 4.

Mr. TORY.—That part of the Sub-section that I have just read preventing us from using the loading for tropical and sub-tropical business which has been provided for in the premiums of that business. The point there is this that on tropical business we know there is a heavier expense. I will not elaborate that argument because Mr. Macaulay a few days ago elaborated it very fully, showing the heavier cost of tropical business. But I will say that in the premium for tropical and sub-tropical business there are two elements provided for, first, an excess of mortality, and secondly, an excess of expenses. We have specifically provided for these two elements in the premiums, we pay commission on the basis of the tropical premium, not on the Canadian premium, and you will limit us in our expenses specifically to the allowance on the Canadian premium, although we are doing business in the tropical country which has in the premium itself the element of loading necessary to cover the expense. I may say that as far as the tropical business of the companies is concerned it is a vital matter that that special limitation should be eliminated, and that the sections which prohibit estimates, deferred dividend policies, prizes, advances, &c., should also be eliminated.

Sections 54 and 55 specifically apply to prizes, bonuses, advances to agents, and other special inducements. I want to say to you that if the giving of prizes is a sin in life insurance business, then I am the chief of sinners. If you look into the history of the world you will find that the principle of special inducement runs through all departments of life. Take the British Empire: why are all our statesmen striving so hard to accomplish great things? Is it not because they hope that King Edward or