pending the work of such a sub-committee, and it was also contended that the Banking and Commerce Committee had no power to change the measure into two separate bills. Senator Beique suggested that difficulty might be practically overcome by separating the bill into two distinct parts, one for life and one for other companies so as to obviate the present overlapping of parts of the bill.

Opposition continues to the provision of the bill which requires that at least two-fifths of the directors shall be elected by policyholders. As THE CHRONICLE recently pointed out, there are staunch Canadian companies representing all three plans of management: mutual control, mixed control and purely stockholders' control. Upon the prospective policyholder there is no coercion regarding the form of management to which he should entrust his personal interests. Why then, should legislation determine that there must no longer be a choice—especially as the different methods seem to show but little practical difference in working efficiency? Practical experience shows that policyholders seldom exercise voting privileges when they possess them. Some ten mutual companies report annually to the South Carolina Insurance Department, their policyholders numbering about 2,200,000. Only one out of every one hundred and fifty of these takes the trouble to vote at annual meetings either in person or by proxy.

BRITISH LIFE COMPANIES IN CANADA.

At Wednesday's sitting of the Banking and Commerce Committee of the Senate, an important point affecting the life insurance sections of the Government bill was dealt with. Mr. D. M. McGoun and Mr. B. Hal Brown, managers for Canada of the Standard Life and of the London & Lancashire Life respectively, made objection to the proposed form of the clause relating to the Gain and Loss Exhibit as affecting British companies. It will be recollected that the bill, after stipulating for such exhibit annually from Canadian and American companies in accordance with a form to be prescribed by the Superintendent of Insurance, provides that in the case of British companies, this detailed exhibit may be furnished at the time when the company's own periodical investigation is made; but "in the event of the interval between two periodical investigations being greater than one year, such company may furnish a gain and loss exhibit which may be based upon an approximation." The dropping of this latter quoted proviso is urged by The Canadian Life Officers' Association, recognizing as it does that such requirement would inflict some inconvenience and even hardship on the British companies, with their different established usage in life office accountancy. As is known, the principle of an annual exhibit of this sort is not generally favoured by British actuaries and managers. For one thing, they hold that in so far as the annual actuarial valuation involved touches the question of gains or losses from mortality, it is open to objection—one year being too short a period within which to compute mortality experience for any but a very large company. It is largely for this reason that British companies generally favour a quinquennial rather than a yearly actuarial stock-taking. And it must not be forgotten that British methods are time-tried, and not likely to be lightly cast aside.

The Dominion certainly should be very chary of passing any legislation that would tend to make the Canadian field less attractive to British companies. Their aggregate investments in Canadian securities have of recent years been increasing at a much more rapid rate than their insurance business in this country. Financial conditions generally would suffer from any arbitrary legislation that tended to dispose the British offices unfavourably towards Canada. Their investments in this country exceed many times over their Canadian liabilities, one company alone having over $15,000,000 invested here.

DISINGENUOUS ARGUING AS TO UNDERGROUND INSURANCE.

The provision regarding the transaction of business by unlicensed fire insurance companies is likely to prove the storm-centre of battle. Those who most strongly favour letting down the bars to outside companies would be the first to protest against relaxation of the Dominion's tariff regulations regarding foreign manufactures. Their arguments in many instances are of a sort to obscure the one plain principle involved, namely, that all fire insurance companies should be "equal in the sight of the law." Companies licensed by the Dominion Government to do business in Canada are obliged to conform with detailed government regulations as to deposits, investments and reserves. They are subjected also to supervision —as well as burdened with heavy taxation, provincial and municipal. They employ large office and agency staffs, purchase and rent valuable premises, and spend large sums in incidental ways. Even in the case of licensed British and American companies, it is safe to say that the bulk of what it costs to carry on their branches is spent within the country—the agents, officials and employees being tax-payers and economic consumers. Under these conditions, where is the justice in allowing unrestricted competition from underwriting concerns which evade all supervision, taxation and establishment expenses in the country?

All fire offices should be on an equal footing under the Dominion law. It is certainly in the interests of the public that this be so. Such interests are supposed to be safeguarded by legislation—and *are* effectively conserved so far as the licensed companies are concerned.

To state, as Industrial Canada does in its January issue, that because the licensed offices themselves reinsure with outside companies, such companies should be permitted to transact business with the public direct, seems rather disingenuous. Such argument neglects the fact that the licensed companies are themselves compelled to hold as reserve for the public's protection the unearned premiums on all the policies issued by them, no matter what reinsurance arrangements are made.