

On sub-section 4,

Mr. WELLS. Perhaps it might be better to put in the word "legitimate" before the word "death" claim.

Mr. BOWELL. No, I think not; that is a question for the lawyers to determine, and to insert that qualification might give the company the right to declare that every claim they did not wish to meet was not a legitimate one.

On sub-section 8, section 5,

Mr. WELLS. I suggest that these words be added :

Provided that nothing herein contained shall be construed to make any person liable in respect of assessments made by any such association after he ceases to be a member thereof.

No doubt that is the law as it is. I do not think any lawyer would say that the effect of this section is to make members liable after they cease to be members; but I know of my own knowledge that it is being used now by agents of rival companies as having that effect. Members are not now liable for assessments after they cease to be members; but I wish to make it perfectly clear that this section does not affect the existing law.

Mr. IVES. I have very serious objections to that amendment. It is well known that the object of these companies is to get rid of their members after they have failed for a certain number of years, in order to get rid of their obligations; and if the impression were made that the members could not drop out in this way, and escape their obligations, it would have a good effect.

Mr. MACKENZIE. At any rate my hon. friend must be proposing mere surplussage from his point of view. If that is the law now, his amendment is not required; if it is not the law, the amendment makes it the law.

Mr. WELLS. I do not make any new law. I only say that the section shall not be construed to affect the existing law.

Mr. HALL. It was suggested before the committee that members should withdraw on giving notice, and the effect of this amendment would be to enable all those who are intelligent enough to use that method of escaping liability to escape entirely. They are relieved by law at the expiration of their contract.

Mr. BOWELL. Would the effect of the motion not be to relieve every member of the insurance upon lives taken during the time he was a member? If it does, there would be no security at all for those who are left.

Mr. IVES. The hon. gentleman says that is the law now.

Mr. BOWELL. It is not the law so far as Mutual Insurance companies are concerned. A member is responsible for risks taken and losses incurred while he is a member, and he is liable to that extent if he goes out.

Mr. WELLS. He is not liable for all losses that occur while he is in the company.

Mr. DAVIES. Suppose a man sees losses occur to the extent of \$20,000 or \$30,000 and retires; if he retires before any assessment is levied, he will be relieved of liability by the amendment.

Mr. WELLS. Well, I do not care for the amendment one way or the other.

Mr. IVES. I would like to call the attention of the hon. Minister of Customs to the declaration made by the hon. member for East Bruce (Mr. Wells) that any member can go out without paying up, simply by giving notice. If the bulk of the members left the association, those who have been paying for a lifetime or for a half a lifetime have no recourse except with themselves for the assessments to pay their insurance when they die. That shows in a conclusive manner the objection to the whole system, and is a reason

Sir RICHARD CARTWRIGHT.

why the Government of Canada should not give aid or countenance to a system of insurance, which is so costly, and which must necessarily result in disaster.

Mr. EDGAR. I would just emphasise what the hon. gentleman has just said. By sub-section 7, we are told what the securities shall be. The two funds out of which these associations are obliged to pay losses are the death fund, and any moneys realised from assessments to be made for that purpose. But according to sub-section 6 the associations are not required to maintain a reserve, so that the death fund may amount to nothing at all, and the other fund according to the hon. gentleman, may amount to nothing either. There is to be no security if people may go out altogether.

Mr. WELLS. If they all go out there are no losses to pay. The death fund of the association is mentioned as distinguished from moneys realised from new assessments. There is always a balance over from every assessment, which is put into the death fund, and if that is not sufficient, they assess.

Amendment withdrawn.

Mr. GIROUARD moved, That the provisions contained in sub-sections 4, 5, 6, 7, 8, of section 5, shall also apply to any company incorporated in Canada carrying on the business of life insurance upon the coöperative or assessment plan.

Mr. BOWELL. The adoption of that clause will take from the Canadian companies that advantage and protection the hon. member for South Huron is so anxious about. It will place them precisely in the same position as foreign companies. It is for the House to say whether Canadian companies of this character should have any advantages other than those possessed by foreign companies. The amendment placed in my hands by the Superintendent of Insurance is to this effect: He says: "It was expected, on all sides, that Canadian companies were to be allowed to transact their own business in their own way without further conditions than that of making an annual return, and these companies actually supported the Bill on this understanding; that if they had been apprised of these conditions they probably would have appeared before the committee and claimed to be heard in opposition, and that at all events, they should have an opportunity of being heard; that it is evident there are grounds for stringently regulating the transactions of foreign companies whose management is outside Canada, and which are beyond Canada's control, while such grounds may not exist upon the part of companies existing only among our people." I have read this memo. from the Superintendent of Insurance, he having a more practical knowledge of the operation and the working of the different insurance companies and of the intention of his Department in permitting the provisions of this Bill becoming a part of the General Insurance Act, rather than give an opinion of my own. I am, therefore, of opinion that Canadian companies should have advantages not accorded to foreign companies, for the reason advanced by the Superintendent General, namely, that being in our own country we have greater control over them than we can possibly have over those companies whose headquarters are in foreign lands.

Mr. GIROUARD. The Superintendent says these companies had no opportunity of being heard on this point. Are we to be told that we have no right to make this amendment because these companies have not been heard?

Mr. BOWELL. He says they were given to understand the provisions of the Bill would not apply to them, and consequently they did not appear before the committee.