

Mr. WESTON.—Well, in practice it is really insurance that there is no inducement to anyone else to take, except for similar reasons and for a short time.

Mr. OWEN.—You will admit that once in a while the lamb wanders into the wrong fold.

Mr. WESTON.—I will admit that in every occupation of life there are unscrupulous men, and that in no occupation can there be forced upon people greater ills than in life insurance, and if you encourage this sort of thing by necessitating the selling of insurance on which it can collect the largest amount from the people to cover expenses you give an incentive to that very sort of thing, that is all. By this law you will have made it absolutely necessary to sell insurance that bears in the premium the largest proportion for expenses.

Mr. OWEN.—You can see the injustice to that man I spoke of, he is 68 years of age, and he has to drop his policy because he cannot afford to carry it, and he cannot get insurance anywhere else.

Mr. WESTON.—We do not want our companies forced to sell this or similar forms of insurance, or have this incentive furnished to sacrifice future profit by the necessity for immediate collection for expenses. We admit that some of our companies could live under the limitation, but their ability to expand as they should in order to serve the best interest of all has already been curtailed by previous enactment. Twenty years ago our premiums bore a very small loading which will be drawn upon to pay the increased reserve we are compelled to put up after 1910. They will be still further reduced by the increased reserve of 1915. This will leave very little of this original loading in that class of business so it is only on policies written at the premiums in use since 1900 that we will have any material loading, and this is less than what our American competitors will have because our premiums are so much lower while our reserve is higher. A few of our companies with long established agencies may contract their operations and live within the loading. The majority cannot so a general stagnation would set in. On the whole, no companies would be capable of establishing satisfactory new agencies in the West, and so could not serve the needs of the people or take advantage of the development going on in this country. To keep anything like a normal production will require all that it is here proposed to allow for expenses, so the investment of assets must be kept as nearly as possible to the quarter of 1 per cent allowed for that purpose. This in effect separates the two branches of the business, and sets up within the company a loaning institution. It is limited in the scope of its operations and in the amount which may be used for expenses as no independent loan company is. What can follow under these conditions? The loaning department must necessarily be subject to the competition which prevails among companies that loan money. If it is found that the expenses incident to its work are greater than the percentage allowed, or if the cost of placing loans increases beyond that amount, then there is nothing left to the company but to let up to some degree in its inspection. That is all there is left them to do, and a tendency will develop to encourage agents to place loans. I believe that the life insurance men as a whole are as honourable and upright men as you can possibly find among the citizens of Canada, but I submit that the loaning of the companies' funds should not as a practice be placed in the hands of the agents who are associated with the company because of the incentive, perhaps unconscious, which the securing of a large amount of insurance with its commission may give to prejudice them in offering loans which are undesirable to companies. The principle of this law is wrong as it applies to both branches of the business, and must necessarily work to the detriment of the people of Canada.

The next point has already been touched upon, and it is this: Premiums must increase. We in Canada have worked in exactly the opposite direction to that which it is proposed and shall in future, owing to the operation of this law. We have charged the lowest premium that has been charged in any country of like population and resources. We have been away below the premiums of our largest com-