

all insurance companies, and being still our law unquestionably as applicable to insurance companies incorporated by this Dominion, I think we would be leaving the law in a very anomalous condition, and producing a most unfair state of things if we did not do as is sought to be done by this legislation, that is make it of general application.

Mr. GLASS: I do not see an analogy between the merchant doing business, who is allowed to sell his goods at any price he likes, and an insurance company doing business. According to the mortality tables, insurance companies are actually collecting a very much larger amount than is necessary from policyholders on the 3 per cent or  $3\frac{1}{2}$  per cent reserve generally prevailing. As is shown by the reports, in cases they are earning a great deal more than 7 per cent on the total amount of their investments, including bonds and everything else. The policyholder has a real live interest in the earnings of the company and the only way to compensate him adequately for what he has to contribute as exorbitant premiums, is to repay to him a division of the profits as they occur. My hon. friend has very rightly pointed out that in a very great many cases the agent receives his compensation as commission on the first premium. Many companies, however, have adopted the practice of paying their agents straight salaries, and this practice is becoming much more prevalent. Of course the salary a man gets is based on his power to produce business, and men vary in their ability in that respect. If an agent on salary gives a rebate to the insured, surely the money comes directly out of the funds of the company, and the earning power of the other participating policyholders, who are simply partners in the large business, must necessarily be impaired to the extent to which those rebates or commissions may be allowed. The matter of rebating in insurance has always been a serious evil, and I think has been an injury to the insurers themselves. It has always been understood that the old law did not apply to anything but life policies.

Mr. DOHERTY: Under this measure it will apply to all companies.

Mr. GLASS: In that respect it will better meet the needs for which it was created.

Mr. McKENZIE: To my mind, section 508 (c) is very badly drafted. I find it difficult to understand its meaning. It may be clear to an insurance man, but as an or-

dinary individual I regard it as very complicated and extremely difficult to understand. In view of the provisions of subsection (2) I cannot understand why this is made an indictable offence. The subsection provides a punishment which comes easily within the most ordinary summary conviction. Indictable offences are dealt with in a very elaborate, expensive and difficult way, as the minister knows. If the intention is merely to collect a fine ranging from \$20 to \$50, I do not understand why a man should have to go before the Grand Jury, the Petit Jury and the Supreme Court. It seems to me the machinery provided is altogether too cumbersome for the penalty.

Mr. DOHERTY: Speaking without the Criminal Code before me, unless I am mistaken—and I do not think I am—the fact that this is made an indictable offence does not make it impossible to be dealt with otherwise than by indictment. There are the provisions of the Criminal Code under which there may be option for summary trial, etc., so that no injustice is done to any one.

Mr. McKENZIE: I am very familiar with those terms.

Mr. DOHERTY: Perhaps the hon. gentleman is more familiar with them than I am.

Mr. McKENZIE: Proceedings are commenced the same as for sending a man to the Supreme Court, but when he is before a stipendiary magistrate he has the right to elect to be tried before that magistrate.

Mr. CARVELL: But only in certain cases.

Mr. McKENZIE: Only in certain cases. This would have to be put in the list of cases that could be so tried before he could come under that category. I think it would be well worth while for the minister to consider it, because, certainly, it should be dealt with in the ordinary way, summarily before a magistrate.

Mr. DOHERTY: The Bill was drafted by the Deputy Minister of Justice and I understand that in putting it in this form he put it in the same form, and dealt with it in the same manner, as analogous offences are dealt with in the Criminal Code generally. With all respect, and while I am prepared to admit what may be the more accurate knowledge of my hon. friend, I entertain a pretty strong conviction that it is open to the accused in a matter of this kind