

Mr. MENARD: Mr. Chairman, may I introduce the members of this delegation who accompany me today?

The CHAIRMAN: Yes.

Mr. MENARD: I have with me the following gentlemen: Dr. R. H. Parent, President of Union St. Joseph; Mr. George Constantin, Treasurer of La Société des Artisans; Mr. J. F. Surprenant, Vice-President, la Société des Artisans; and Mr. Arthur Desjardins, Director, Union St. Joseph.

You will have to speak French this morning. Allow me, Mr. Chairman, on behalf of the officers of the Canadian Fraternal Association to extend to you, and through you to the committee, our gratitude for giving us the opportunity to submit this brief. We have your assurance that such submission will be incorporated in the Minutes of Proceedings and for that we thank you.

The CHAIRMAN: That is right.

Mr. MENARD: Our brief is quite self-explanatory and it hardly needs any further amplification. But probably I should underline two of the main features. Friday morning and again this morning frequent references were made to the necessity of providing protection for the little man.

Well, we all know that the little man—those little men are mostly labourers, farmers, fishermen, and so on and that they also comprise a large part of the white-collar class. In a limited way annuities do provide some protection for the little man. I say: "in a limited way" because as it was suggested a few minutes ago, the little man is not in a financial position to purchase annuities to any great extent. We have been told that at the age of 35, the cost of an annuity of \$100 a month payable at the age of 65 would be around \$16.

The CHAIRMAN: I think that was the cost at the age of 30.

Mr. MENARD: You can hardly visualize a little man with a family being able to put aside \$18 to \$20 a month for an annuity. Therefore government annuities or annuities offered by companies hardly reach that little man.

On the other hand, while life insurance companies do provide some protection to the little man, it is only in a small way because these little men are scattered throughout rural districts, and in small villages where an underwriter operating on behalf of the companies will find his work unprofitable.

The underwriter cannot reach those little men who are scattered throughout the country. The underwriter hardly reaches those located in the villages. That is where the Fraternal Society comes in. That is where the lodge systems come in. They work gratuitously through their officers in all the communities where the little men are reached. So by that system, and through the officers, that work becomes profitable because it is not expensive to the fraternal society. Therefore the fraternal societies have a place and a very important place in Canadian community life, so much so that today we have nearly one half million little men, Canadians, holding certificates or policies with fraternal societies. That is one of the points made in the brief.

The next point is that the fraternal societies do not issue annuities. Why? A few of the fraternal societies hold federal charters which permit them to issue annuities, but the fraternal societies which we represent are mostly chartered in the provinces and they are not allowed by law to issue pure annuities. They may do so in a very limited way if such an annuity is combined with another class of ordinary life insurance; but, as a matter of fact, generally speaking, fraternal societies do not and cannot issue pure annuities.

On the other hand, fraternal societies hardly issue any term policies. As I mentioned before, the underwriting done by fraternal societies is done by the lodge officers. But they are not trained salesmen of life insurance. The fraternal societies offer the ordinary kind of life contracts, such as whole life,