

ment given by their own Superintendent, who was not satisfied that the basis on which these companies proceed was a sound one, it was certainly indefensible for the Government to class them with the old safe companies.

On section 3,

Mr. IVES. I would not like to have the impression go abroad that the House is unanimous with reference to this measure, I, for my part, do not believe in this new fangled system of insurance at all. I would go even further than the officer of the Government who has called it a mere experiment, and I would say it is an experiment which is almost certain to result in enriching a few agents who, for the time being, are acting as receivers general to whoever likes to deposit money with them, and who, when the time comes for paying losses, will not be here to pay them. I do not believe there is any sound, scientific or commercial foundation for this kind of insurance. I am perfectly satisfied it will not succeed, that it will result in disaster and loss of the money that is deposited with these companies. Now, my objection to this Bill in the hands of the Government is very similar to that which the last speaker mentioned. If the Government undertakes to supervise the question of insurance at all, as they do the matter of banking, I think they are bound to see that no wild cat insurance companies are permitted to do business here, that the Government's own officer says are merely experimental, until they are perfectly satisfied that every man will be safe who insures with them. Now the Government very properly take charge of banking, but what would be said if they were to permit a system of banking to be introduced here which the Finance Minister himself was bound to say was merely experimental and which was as likely to result in disaster to the people as to result in good? I am quite sure that public sentiment would not sustain the Government in putting their imprimatur upon a system of banking which they and their officer were bound to say was merely experimental. Yet that is what is said of this system of insurance. From what I know of the men who are acting as agents, who are receiving the people's money, and from what happened the other day in Montreal at their meeting, a committee of investigation being already appointed, and from the whole circumstances of the case, I am just as well satisfied as I am that I am standing here, that this new fangled insurance will result in disaster and loss of money to our people; and I protest against the Government sanctioning it, as they seem to do by taking charge of this Bill and providing that these companies doing business here, by their being registered, shall obtain the assistance which Government sanction gives them, and without providing any reasonable and satisfactory safeguard to the public. I believe the whole thing is a mistake, and if anybody at a later stage sees fit to move the three months hoist for this bill, I shall be very happy to vote for it, because I do not look upon this Bill as a Government measure but simply as an Insurance Bill, which is giving recognition to a kind of insurance companies, which the Government themselves called experimental and which experiment, in my opinion, would be disastrous.

Mr. WELLS. The principal objection which my hon. friends urge against this system of insurance seems to be that it is experimental. Now, it is by no means experimental. The system of assessment assurance is the natural system, and the oldest system which we have. The other is the artificial system. The assessment system of insurance is that which has been adopted by so many societies all over the world, by labor societies of various kinds, by secret societies of all kinds, societies which have lasted hundreds of years. I do not mean to say that it is conducted on exactly the same principles as by the regular assessment companies of the present day, because, as time goes on, improvements are

Mr. DAVIES.

made, and all the improvements which experience has shown to be necessary have in the formation of the later companies been adopted. It is, I repeat, the natural system and the other is the artificial system. Can any system of insurance be reasonable which demands that a person who insures should pay about five times the amount really required to pay a death loss? That seems to be a most unreasonable system.

It has been said that the old line high premium system guarantees absolute security to the policy holder. But what is the result? While the assessment system is called experimental the experience of the other system has shown it to be utterly fallacious. Indeed I think I am safe in saying that in the history of no other public companies, except, perhaps, banking companies in the United States, has there been such a frightful loss of money and such failure as in the insurance system on the old plan. I have in my hand a list of a few of the more recent failures. The Guardian Life, Widows and Orphans, North American Life, Universal Life, Reserve Mutual Life, Mutual Protection Life, and New York State Life, all companies conducted according to the old principles, and having reserves of \$20,000,000, have recently failed. Then we have another list: American Popular Life, Atlantic Mutual Life, Continental Life, Life Association of America, New Jersey Mutual Life, Security Life, with guaranteed securities amounting to \$16,000,000, on which a dividend of 10 cents in the dollar only has been paid. I do not mean to say that these are all the companies that have even recently failed, but these companies are at this very moment in the hands of Receivers in New York city. Yet hon. gentlemen will tell us that this is the only safe system of insurance.

I think there has been altogether too much said about the confusion which must follow the two systems working side by side. There is no force whatever in that objection. The companies are always advertising, and there is an insurance controversy always going on over the merits of the two systems. Documents explanatory of both systems of insurance are constantly being issued, illustrating, explaining and extolling the two systems. Insurances, moreover, are not, as a rule, effected by the ignorant classes.

Mr. WHITE (Cardwell). I think, Mr. Chairman, this discussion is out of order on section 3 of this Bill.

Mr. WELLS. If that is so, the observations of the previous speakers were out of order.

Mr. WHITE (Cardwell). I do not think that fact can make the remarks of the hon. gentleman in order.

Mr. CHAIRMAN. The discussion is certainly out of order on this clause.

On section 5,

Sir RICHARD CARTWRIGHT. It is satisfactory to see that liberal views are making progress in the minds of members of the Government, and, although it may not practically concern a member on this side, I submit that hon. gentlemen opposite must feel that this is a degradation of the National Policy in every shape and form. The idea that an American shall be permitted to take Canadian money for the purpose of insuring Canadian lives, seems to be entirely out of the regular course.

Mr. WHITE (Cardwell). The hon. gentleman is entirely mistaken. We impose special conditions on American companies doing business here, while we do not impose such conditions on Canadian companies. That is carrying out the idea of the National Policy.

Mr. IVES. I object to Americans taking Canadian money and with it protecting their own lives.

Mr. GIROUARD. I desire to add a new section to follow section 5: "The provision contained in clauses 4, 5, 6, 7,