

Loan Companies Act

the regular insurance, and then there is a class of business as to which the company doing it say: "If you pay so much more you come in on our profits." The latter kind of insurance means that higher premiums must be paid than under the ordinary straight line rate. Of course it is true that the war had its effect, and possibly is responsible for the feature in question, but on the face of it the showing is not a happy one for the policy holders.

Mr. CALDWELL: Does the Superintendent of Insurance have any control over the class of insurance which a company shall write? For instance if an insurance company is not paying dividends to those holding participating policies it might be wise to see that it shall not write too much of that kind of insurance but shall rather issue a straight insurance policy. I think it is a very important point. If the companies were allowed the right of issuing policies on the participating plan and were not paying any dividends they would certainly stand to win, and the public, probably to lose.

Mr. ROBB: We have in some rather rare cases insisted on a company doing only a non-participating business.

Sir HENRY DRAYTON: That must have been in a case where there was a likelihood of a deficit. The Superintendent of Insurance does not interfere in the direct management of a company at all. The point the hon. member (Mr. Caldwell) was making was that in view of past results it is very much more to the benefit of the policy holder to take, for example, a straight twenty-year life policy than a twenty-year life policy with profits.

Section agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 175, to amend the Insurance Act, 1917.

Motion agreed to and bill read the first time.

SPECIAL WAR REVENUE ACT, 1915,
AMENDMENT

The House again in committee on Bill No. 142, to amend the Special War Revenue Act, 1915, Mr. Gordon in the chair.

On section 1—tax on sales reduced.

Sir HENRY DRAYTON: When the resolution on which this bill was based was being [Sir Henry Drayton.]

considered I made a statement in connection with the difficulties encountered under the act at the close of one evening's sitting, and my hon. friend was good enough to thank me for what he termed constructive criticism. He said he would look into the representations made and see what could be done in the matter. Has my hon. friend been able to iron out any of the many difficulties pointed out at that time except the one as to licenses?

Mr. ROBB: In a consultation with the minister in charge, and the department, they expressed the belief that most of the difficulties in question have been corrected from time to time, and that the act is now meeting with a fair amount of favour from the public. I had in mind that my hon. friend would have gathered any further information he desired when the minister was passing his estimates through in committee of supply.

Sir HENRY DRAYTON: The Minister of Customs was not troubled very much on estimates apparently. I think his estimates went through on record time.

Mr. KELLNER: I should like to find out how the tax to be levied is figured out. In the case of the sale of \$100 worth of goods would the department figure at 6 per cent of that amount, or how would the tax be arrived at?

Mr. ROBB: I will read the clause governing the matter:

In addition to any duty or tax that may be payable under this part, or any other statute of law, there shall be imposed, levied and collected a consumption or sales tax of six per cent—

Which is now reduced to 5 per cent.

—on the sale price of all goods produced or manufactured in Canada, including the amount of excise duties when the goods are sold in bond, which tax shall be payable by the producer or manufacturer at the time of the sale thereof by him, and in the case of imported goods the like tax upon the duty paid value of the goods imported payable by the importer—

and so on.

Mr. KELLNER: I want to know whether the department's agents collect 6 per cent, we will say of \$100, or whether the percentage is less than that?

Mr. ROBB: The act provides:

For the purpose of calculating the amount of consumption or sales tax, "sale price" shall mean the price before any amount payable in respect of the consumption or sales tax is added thereto.

Is that what my hon. friend wants to get at?