

cular insurance agent may receive more commissions on premiums.

Mr. COCHRANE: Is there only one bank in the place?

Mr. CARVELL: No, there are more banks. But this bank has control of practically all the lumber business, and that is the principal business of the community. I am speaking now with an absolute personal knowledge of what is going on. An estate which I have practically closed up, which I have been helping to manage for years—which, I am sorry to say, was not very flush financially—has paid insurance to make your head ache, if you had to help finance it, simply because we were in the hands of the bank, and the banker placed the insurance without asking our leave or anything else. We had not a word to say—we had to pay the premiums; he did not ask us to pay them, but simply took them out of our account. I brought the matter up and got an amendment made to the Act, by the Banking and Commerce Committee, and it came down to this House as part of the Bill, when it left the committee, but sufficient influence was brought to bear on the House to defeat it, I think, on the third reading.

Mr. DOHERTY: That was in connection with the Bank Act?

Mr. CARVELL: I think not.

Mr. DOHERTY: Was it in connection with the Insurance Act?

Mr. CARVELL: No, the minister is right. It was in connection with the Bank Act. The Insurance Act was codified in 1910, and this happened in 1912 or 1913. As the minister is dealing with the Insurance law as it refers to insurance companies, I thought it my duty to bring this matter before him. I do not propose an amendment, because if the hon. minister would not accept it it would not carry, but I call attention to the circumstance, and say that matters are getting worse instead of better, although there was a pledge given that this particular condition of things would cease to exist. I know, from talking with members, that this condition of affairs exists to some extent in very many parts of Canada. I do not think it is right for a man occupying the position of manager of the bank, who necessarily has certain direct or indirect control over very many people who do business or get accommodation from the bank, to have the

right to say to them either directly or indirectly, or even by inference: If I give you the accommodation you require, I shall expect you to give me your insurance. It gives him a very great leverage over the agents of the other insurance companies, and insurance has become a great business in Canada. This is an unjust discrimination. I think the chartered banks of Canada pay their agents pretty good salaries, and if they do not, they should pay salaries large enough so that the agents could get along without depriving other people of a legitimate source of revenue. I think even if there were no cases as extreme as the one to which I have called the minister's attention, the principle is wrong to allow the manager of a bank to carry on an insurance business, and indirectly and surreptitiously take away from other men business which rightly belongs to them.

Mr. GLASS: The matter to which my hon. friend refers is not peculiar to the province of New Brunswick. That condition of affairs generally exists throughout Ontario. In my district it is quite a common thing for a bank manager, especially in the smaller places, to have the supervision and control over insurance, which may not only lead to an improper use of it, but which is an injustice to those engaged in that business. I should like to suggest here, also, that the same condition of affairs exists in relation to managers of loan companies. I think they should be debarred from engaging in insurance, as well as the men who are engaged in ordinary commercial banking. I will not say that these large loan companies receive a direct commission, or a division of the commission from the agent, but they arbitrarily direct that, providing a loan is given, the insurance shall be placed with a certain agent who is known to be closely allied with them. I think that when a man borrows from a loan company, any insurance company which is satisfactory to the Superintendent of Insurance should be considered satisfactory for the requirements and purposes of the individual obtaining the loan. I do not think even the lawyers themselves should have any control or power over individuals and say that they should take insurance with certain companies. If a company is financially sound and responsible, and satisfactory to the Department of Insurance in this country, it should be strong enough and good enough so that a client getting