

Private Bills

The London and Midland Insurance Company has no distinct advantages in the Canadian market which would distinguish it from other companies, but in the case where agents are involved each of them plays some role in the development of the company and in the sale of insurance underwritten by this company. Therefore it would seem to me that there would have to be identical salesmen, identical situations and identical circumstances before it could be decided whether or not the statement was true. However, the company did not make any attempt to indicate that such is the case. They made the flat statement that they had been hurt and they let it go at that. This can be proved because we have a record of it in the report of the Superintendent of Insurance. I have volume 2 of the annual statements of the fire and casualty insurance companies which lists, among others, the London and Midland General Insurance Company.

In looking at this company we find that it has not done badly and, in fact, in my opinion has done very well. For instance, the investments owned by the company have a book value of \$7.292 million. I suggest that this company has not been hurt very much. If we go back and check their assets at the time of the bankruptcy of the other company with a similar name, we find that their assets have increased and so has the business they have done. I think that the person who represented the company was downright dishonest in implying that the bankruptcy in England has hurt the sales of the company in Canada. In looking over the record of this company, if they wish to compare themselves with another company of similar size selling in a similar market—all of them sell exactly the same insurance anyway; they use a model bill and therefore it is all underwritten in exactly the same way—it appears to me that they would be hard pressed to find justification for a change in name for that reason.

With regard to the financial position of this company it was very interesting to read certain portions of the report of the committee. Mr. Burton said the following:

Could I ask, Mr. Chairman—I could move the motion if necessary—to have this balance sheet printed as an appendix to the proceedings for this day?

That would have been very nice because it would have meant that we would have had an up to date balance sheet. I am using as a reference the 1966 balance sheet which is the last copy I have of the report of the Superintendent of Insurance. There may be a 1967

[Mr. Peters.]

copy out now but it must have come in since I brought this volume to the house. What actually happened? The representative of the company said he would be very happy to provide the balance sheet and then a member of the committee said:

I say, Mr. Chairman, it is not germane to this discussion; it is irrelevant and out of order and, therefore, I would oppose merely on that ground.

He went on to say:

I am trying to establish here a line of conduct for this coming year.

He did not need to establish that because he has been running interference for these insurance companies for a long time.

I think that the proposed change in name of this company hinges on these three points, and it is my contention that they were not discussed. I believe that there probably could have been a straight answer to this problem had the company provided their balance sheet. I am sure that if they had done so they would have been prepared to compare it with the balance sheets of previous years and to give an indication in dollars and cents of the growth which they would expect their corporation to have over a given period of time, knowing the performance of other insurance companies of a similar nature and relating it to their gain and growth over that period.

They could have said then that they had experienced a loss as a result of the name of the company, and this would have gained some support from some of the members of the committee. This did not happen as a result of interference, but I understand that in the end the committee members were provided with a copy of the financial statement. Of course this is an indication of the fact that the representative of the company was prepared to make the information available but that certain members of the committee were not interested in having it. Because of the fact that the balance sheet was not attached as an appendix to the committee's report it is not now available to other hon. members who did not have the opportunity to attend the meeting of the committee.

● (5:10 p.m.)

The major problem we face in Canada today appears to arise from the ownership and control of many of these companies by corporations outside Canada through interlocking directorships and financial arrangements. This means that by virtue of a corporate decision changes may be brought about in 20 or 30 interrelated companies without