

## CO-OPERATIVE BILL.

DISCUSSED IN THE HOUSE OF COMMONS, OTTAWA.

The House resolved itself into Committee on Bill (No. 20) to modify the application of the Consolidated Insurance Act of 1877.—(Sir John A. Macdonald.)

(In the Committee.)

Sir RICHARD CARTWRIGHT. I think it would be as well to call the attention of the Government and the House generally to the Bill as it now appears, re-printed as amended. It is not my intention to resume the very lengthy discussion which took place in committee on the details; but, at the same time, I think it would be well to understand whether the Government have fully considered the Bill now before us, which is not exactly in accordance, if I understand the matter right, with the intentions of either the Finance Minister or the members of the Government generally. There are two objects, as I understand, which the Government designs to attain in this Bill. First of all, they intend to grant relief to certain friendly societies, which, it was alleged, were in considerable danger of being visited with certain penalties if they proceeded to grant the ordinary benefits to their members, under the existing state of the law. As to that there can be no question, and I have no doubt the House will be unanimous in desiring that these friendly societies should be relieved from any possible consequence to which they might unwillingly expose themselves; there is a rather important consequence, which flows from the Bill now before us, and that is this, that a totally new and distinct class of societies, known as the mutual societies will, under this Bill, be placed in line, so to speak, with the older societies which have been conducting their affairs on the well-recognised principles, and which go forth to the country as having received Government inspection, which prevents the possibility of any of the persons doing business with them of losing any portion of their insurance money. I wish it to be distinctly understood that, for my part, I have no objection at all that these various mutual societies should do business with those who chose to do business with them; but I can see, and if I understood rightly the Minister of Customs and the Minister of Finance, they also see that there is in the Bill, as it now stands, a very considerable danger that these two classes of companies which do business on different principles should be confused together in the public mind; and it did appear to me there was a great deal of force in the contention made by the representatives of the older companies, that a separate measure should be introduced for the purpose of legalising the other companies to do business.

Mr. DAVIES I understood that the members of the Government would not consent to the Bill as it left the committee. I seemed to me that the contention made by those who represented the regular insurance companies was a sound contention, and it received the assent of those who acted for the Government in that committee, the Minister of Finance and the Minister of Customs. They said that they did not desire to throw any obstacles in the way of these assessment insurance companies doing business in Canada, but they said that the principle upon which these assessment companies proceeded to do business was an experiment, and therefore they should do business in such a way that those whom they solicited to take policies in their companies should know exactly and fairly the principles of the company which they were taking out the policy, and they contended that it was not fair to place them, as it were, in the same boat with the life insurance companies, under the same Act, because the result would be that a large mass of those who entered into that very important contract, the insurance of their own lives for the benefit of their families, would, in the hurry of business and in the absence of special knowledge in reference to the matter, be unable to

make the distinction between the insurance company proper and the insurance company under the new system, and they contended that the old security was an ample security, and that it was unfair that they should go into the same boat with those other companies, and that the latter should have the same Government sanction and approval. What does the Bill do? What evidence had we before the committee? I desire to call attention to the very important statement made by the Superintendent of Insurance before that committee. He is reported to have replied to the following question by Sir Richard Cartwright:

"Are we to understand that, so far as your experience goes, you do not know whether these companies are safe or not?"

"I regard them in exactly the same light as the Superintendent for New York does. He says he regards them as experiments. I accept that view. I know very well the system of old life insurance companies is undeniably based upon scientific principles, and that it has been tested and proved by long experience. I cannot say with regard to these assessment companies that their principles have been proved by experience. They have not had a long enough experience to enable me to form an opinion whether they will be ultimately pronounced sound, or whether they can be permanent."

Well, I say in view of that statement, it does seem curious to me that the Government should allow these new assessment companies to go forth to do business in Canada, stamped with the sanction of the Government, when their own Superintendent of Insurance tells them that the principle upon which they do business is not one which he can recommend, which is purely experimental, and he does not know whether it is sound or not. This is a very serious business for those who insure. The majority of those who insure their lives are men engaged in the worry and hurry of business. They have not time to examine carefully the principles of the company with whom they insure. They imagine, and I do not know but they are right in imagining, that if the Government undertake to license an insurance company, authorising them to do business, the insurer has a right to assume that the Government have satisfied themselves thoroughly that the principles on which the company does business are safe and sound. I repeat that in the face of the official statement 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 its 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 receiver generals 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 takes 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