

Supply—Finance

ment bank, and was told to bring it up at the close of the ordinary estimates. The question is this.

The Chairman: Order. Is it agreeable to the committee that this matter be discussed at this time?

Some hon. Members: Agreed.

Mr. Macdonnell: The question is this. At the moment the outstanding loans of the industrial development bank are shown as \$42 million. I wanted to ask the minister whether he could say a word as to what he considers what I might call the scope, the possible size of operations of that bank today, because there was a good deal of talk a little while ago, as the minister will remember, in regard to the blessed question of the gas pipe line to which the industrial development bank might make a loan. I think the amount mentioned was well under \$300 million. I wondered whether the minister would make some comment as to whether he considered that, having regard to the size of the operation at the present time, such an increase would be within the natural scope of the operations of the bank.

Mr. Harris: Mr. Chairman, until the occasion this winter to which my hon. friend has referred the present limits had seemed adequate for any normal business the bank felt it should do, and that is still the case. On the other hand, when there was an application to the industrial development bank with respect to a loan which would run not to \$300 million but to considerable sums of money, it was at that time noticed that if the bank should decide that this was a proper means of assisting, they did not have the statutory authority to do so. Therefore the government at that time, without making a decision, nevertheless were seized with the fact that if the bank felt this would be a proper loan we would have to ask parliament to amend the act to give it scope to take care of the proposed activity.

Item agreed to.

Department of Insurance—

158. Departmental administration, \$517,092.

Mr. Coldwell: I should like first of all to draw the minister's attention to the question asked by my friend and colleague the hon. member for Winnipeg North Centre, on June 30. He asked whether the Minister of Finance had considered a report made to him by the superintendent of insurance concerning the Canada Health and Accident Assurance company, of Waterloo, Ontario. His question reads:

In view of these reports will there be any amending legislation at this session to prevent further

[Mr. Macdonnell.]

improper and improvident practices such as are referred to by the superintendent of insurance?

The practices referred to were carried on by the president of the corporation. I notice that in the report for the year 1953, tabled in this house this session, the last paragraph but one refers to this particular matter and states as follows:

In the absence of any change in the present arrangements, I am bringing this matter to the attention of the minister because it is undoubtedly one that will have to be taken into account when considering the renewal of certificates of registry on March 31 next.

What action, if any, was taken along the lines which evidently the superintendent of insurance has in mind? Has any action been taken?

Mr. Harris: No, no action was taken by the minister before March 31. However, the knowledge that the correspondence between the company, the president of the company and the superintendent of insurance would be published was recognized both by the president and by the minister. It was hoped that that action in itself might possibly bring about a settlement of the differences between the superintendent of insurance and the president of the company.

I have been kept informed by the superintendent; and while it would not be correct to say that any change has been made in the plan by the president or the company with respect to the particular question, I might say the president of the company knows the minister's views on this and I am hopeful it will not be necessary to take any further action by the time the licence comes up for renewal at the end of the fiscal year.

Mr. Coldwell: Mr. Chairman, I do not think that is a satisfactory position in which to leave this matter. As the committee knows, I am very interested indeed in health and accident insurance, and so on. It seems to me this indicates very clearly that we cannot allow these private organizations to do exactly as they please in these important matters.

The other night when I was speaking I drew attention to the fact that a man might pay on sickness and accident insurance for 30 years, have a small claim—in the case I mentioned it was \$3—during the whole of that period, and at the end of 30 years be told that because he had reached the age of 60 or 65 his medical record was such that they would not renew the policy, at a time when that policy could be of advantage. Some of these people are making a great deal of money out of this sickness and accident business. I think this particular case illustrates it. The superintendent of insurance devoted considerable time to it, and I want to put