

trust companies, the loan companies and the insurance companies.

Sir HENRY DRAYTON: My hon. friend is right. Formerly the cost of inspecting trust companies and loan companies was comparatively so trifling that no assessment was made, and there was no objection to the use of the surplus under the Insurance Act for that purpose, although strictly perhaps it ought not to have been so used. Has the cost gone up very much, and are we going to have expensive bureau work in connection with it?

Mr. ROBB: No, we do not anticipate any additional expense. We simply propose to spread the cost over the three classes of companies.

Mr. MEIGHEN: Am I right in assuming that what the minister proposes is to take the cost of inspection during the previous year, and assess it in proportion to the income of the insurance companies?

Mr. ROBB: —and the loan companies and trust companies.

Mr. MEIGHEN: And that this power of assessment shall be wholly in the hands of the superintendent, with no appeal from his decision?

Mr. ROBB: I am not sure about the question of appeal.

Mr. MEIGHEN: There is no appeal. The bill says that:

—such assessment shall be binding upon the said companies, and be final and conclusive.

Before I would care to assent even passively to the principle, I should like to know what the minister's view is on this whole question of inspection of companies. We have gone pretty far in connection with the inspection of banks in certain proposals put forward by the minister this session. It is said that consultation involves responsibility. Well, if it does, inspection involves responsibility many times more. I have no question mark in my mind at all as to the wisdom of government inspection so long as its efforts are directed towards reasonably safeguarding the public of Canada; but I have a great question mark in my mind as to the wisdom of government going into the field of inspection where its wards whom it is supposed to be protecting are not the public but are merely investors, debenture holders and people of that class. I hope the government is not going too far. I am not making any objection; in fact the question mark in my mind

is: Have we not gone too far already? Also, are we not pushing the powers now vested in our officials too far? Are we not delving at the roots of enterprise and all the time involving responsibility on ourselves to a great degree, not on behalf of the public of this country, but really on behalf of investors who are entirely competent to look after themselves?

Mr. ROBB: My hon. friend must bear in mind that some of these trust companies and loan companies under their charters invite and secure deposits from the public. I think it is quite reasonable that we should have a measure of inspection of these companies as to their investments and administration.

Mr. MEIGHEN: I am not raising the point at all in so far as depositors are concerned. But I should like to have the minister's view as to how far we should go in seeking to protect debenture holders in this and other lands and thus incurring a degree of responsibility on behalf of people who can look after themselves a lot better than we can.

Motion agreed to, and the House went into committee, Mr. Gordon in the chair.

On section 1:

Sir HENRY DRAYTON: How many men are now employed?

Mr. ROBB: There are about eight or nine men, but they are inspecting all the companies. During the past two years one man has been devoting his time largely to the inspection of trust companies and loan companies.

Mr. HANSON: I see by the estimates this year that in the insurance department there are thirty-two employees, and that the salaries and contingencies total \$131,550. Under this and the other two resolutions on the order paper is it proposed to put all the expense of inspection on the companies? And what has been the increase in the cost of this department in the past ten years?

Mr. ROBB: The percentage of increase has been less than the increase in the number of companies and the assets involved. The expenses which the hon. member quotes were formerly altogether charged to the insurance companies; now we propose to apportion them among the insurance companies, the loan companies and the trust companies in proportion to their business.