

as strong. As perhaps is known, an effort was made in the subcommittee to do that, but it did not get very far. However, it may be that in the light of experience that condition may be brought about. I can only tell my hon. friend the conditions which we had to meet and how we have met them. The Minister of Justice (Mr. Guthrie) and his department have given a tremendous amount of effort to this matter. The superintendent of insurance, having a very strong opinion with respect to the necessity of federal and uniform supervision and control, has done the same. The Minister of Finance came into the picture after it had been developed to a very large extent, and subject to the discharge of his other duties, he has had a limited time in which to deal with it. But we have dealt with it just as well as the accumulated wisdom and judgment of the most eminent counsel acting for various interests in conjunction with our own have been able to determine. This legislation represents not any—

Mr. EULER: Final?

Mr. BENNETT: —not a final determination of it, nor yet an iron-bound expression of an extreme view. But the leader of the Senate, himself an experienced lawyer, was able, with the aid of counsel and by making a compromise here and there, to secure this legislation in the form in which it now is. It has been a most difficult thing to accomplish.

Mr. CAYLEY: What arrangements have been made regarding the New England mutuels that were mentioned a little while ago? I understand heretofore they did not take out a dominion licence to do business in Canada, but rather preferred to register with the provinces. I should like to know what arrangement has been made as regards accepting deposits from those companies.

Mr. BENNETT: I am happy to inform the hon. gentleman that the arrangement is as follows: Companies such as those named and others of a similar character will make with the Dominion deposits equivalent to their Canadian liabilities and subject themselves to the inspection of the Canadian Department of Insurance. I believe they were advised by their own home lawyers as well as by their Canadian representatives that as aliens they were reasonably being asked to accept that position, and they agreed to do so. Therefore they make a deposit equivalent to their Canadian liabilities and subject themselves to Canadian inspection; when I say "Canadian" I mean central, the Department of Insurance of Canada inspection.

[Mr. Bennett.]

Mr. EULER: I apprehend I am out of order—

Mr. BENNETT: No, the whole bill is under review.

Mr. EULER: This refers really to another matter in connection with these mutual companies. I understand in the budget a tax of some 15 per cent is being imposed on premiums of these mutual companies. Has anything been done with regard to that, or is it proposed to do anything or has any compromise or agreement been reached? It aroused a great deal of dissatisfaction with some of our Canadian insurers.

Mr. BENNETT: I think the Minister of Finance explained that in the transcription of the resolution the language used was not in accordance with the statement that he had made in the house. They are being taxed without discrimination, the same as other licensed companies that come in as foreign companies.

Mr. EULER: It was prohibitory really.

Mr. BENNETT: That provision was intended to meet the situation.

Mr. EULER: They are quite satisfied to register?

Mr. BENNETT: Yes.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7.—Superintendent or officers not to be interested in any company.

Mr. RHODES: I have an amendment to suggest to this section for the purpose of strengthening it. It will be observed that the section reads:

The superintendent or any officer or clerk under him shall not, directly or indirectly, be interested as a shareholder in any company doing business in Canada and registered or licensed under any of the acts respecting companies specified in the schedule to this act.

The amendment I propose will enlarge that prohibition to include an interest in a trust company or a loan company doing business in Canada or in any province of Canada. I would therefore ask my colleague the Minister of Justice to move this amendment.

Mr. GUTHRIE: I beg to move the amendment that has just been announced to section 7 of the bill.

Mr. CAYLEY: Why was the phrase "any province of Canada" added?