And on page 15:

> But most Canadians, I think, would look for a growing direct participation of Canadian capital in all lines of investment activity, and would expect our major financial institutions to provide leadership in that direction.

If I understand my friend correctly, the feeling is that inasmuch as a large proportion—20 per cent—of the savings of the country are going into insurance companies, perhaps it might be possible to give them greater opportunity to participate in what is called "enterprise finance" rather than tying up that savings proportion in gilt-edged securities which, perhaps, do not do as much productive enterprise financing as some people would like to see.

Mr. MACDONNELL: I take it that Mr. Coyne would approve of the fact that the amendment contained in these bills is extending somewhat the field of insurance investment and I take it that the department will consider with industry, as time goes on, whether it could be further extended?

Mr. HELLYER: The extension, Mr. Chairman, are very modest, are they not?

The CHAIRMAN: I would hardly say they are modest and I think perhaps one point is being lost sight of. All parliament can do is to extend the powers of these insurance companies and the responsibility then rests with the company directors as to what extent they take advantage of the powers.

May I ask this question? Mr. Coyne, do you know of any part of our industrial or business economy that is suffering from lack of enterprise capital?

The WITNESS: "Suffering" is a very strong word.

By the Chairman:

Q. Well, retarded—unduly retarted by lack of enterprise capital?—A. I would think it more likely that there would be some business which have found it desirable under the circumstances to borrow money by way of bond issues which might have preferred to get some more money of an equity character instead. But they got the money so far.

Mr. ADAMSON: Well, Mr. Chairman, the Steel Company of Canada is a classic example. Now, we cannot say they have any difficulty in getting money, but one of the main problems facing the company is raising more money for expansion. The president, in his annual report, made a very definite point of that requirement for getting more money for expansion and how to do it with the equity or preferred and common shareholders taking care of it.

The WITNESS: Well, I would not want to deny in any way that I think, and I am sure that everybody thinks, that it is desirable that life insurance companies should take part in that process, but what the degree should be at any particular time is a matter of judgment.

Mr. ADAMSON: Could you say in the portfolios of the life insurance companies, whether they have invested up to the maximum of 30 per cent?

The CHAIRMAN: Mr. MacGregor will be able to answer that question.

Mr. ADAMSON: Have all life insurance companies taken advantage, or most of them, of investing to the maximum of 30 per cent in common stock?

Mr. MACGREGOR: That is to say, 30 per cent of the shares of any particular corporation? The limit is 15 per cent of the insurance company's funds that may be invested in common shares.

Mr. ADAMSON: Have they taken advantage of that?

Mr. MACGREGOR: Well, yes, sir, they have in a few cases in the past. The 15 per cent limitation was written into the Act in 1932. Prior to that time there was no limit and some companies had a very high proportion of their assets in common shares. It was that high proportion that contributed to the 15 per cent rule.