

*Insurance Bills*

Mr. RHODES: I do not wish to enter into a debate with my hon. friend from Quebec South (Mr. Power) whose opinions I respect very much, but when he says that stock prices to-day represent normal value, let us admit for the sake of argument that his contention in that respect is right. I say there are still bonds of the municipalities, the provinces and the dominion, and of other countries, including Great Britain itself, which are selling away below par. He would not say that that is normal?

Mr. POWER: No, I am not sure the hon. Minister of Finance is right. If some of my hon. friends in the corner were perchance to come into power they might cut the interest on these bonds. I have heard some of them say that the wages of capital are too high, and I am rather inclined to agree with them. I do not know but what we might perhaps support such a contention.

Mr. COOTE: Hear, hear.

Mr. ILSLEY: They certainly would inflate the currency.

Mr. POWER: Yes, and if so—

Mr. RHODES: If they inflated the currency we might not require this valuation.

Mr. EULER: In our sister dominion of Australia the interest on the national bonds has been arbitrarily reduced.

Mr. COOTE: By law.

Mr. EULER: Yes.

Mr. RHODES: This is not in point, but I think my hon. friend's information is not quite correct. The Australian government called upon the holders to take a lower interest rate, but they only did that in regard to their nationals, not foreigners.

Mr. WOODSWORTH: If I understand aright, for some time past the superintendent of insurance has had the power to value bonds and debentures, but this is quite a new departure that we should include power to evaluate stocks and other securities. It would seem to me that this proposal is in a class by itself. As I understand, one particular insurance company got into trouble by investing very large amounts in stocks, and under the special legislation secured by the government last year for the "peace, order and good government" of the country that particular company was able to make returns in such a way that it failed to show the real position of its investments. What was done last year under that special legislation is now to be made possible under this proposed

[Mr. Power.]

legislation; and although it is general in character, I take it in reality it is to help out one particular company. I do not know how the superintendent of insurance, cautious though he may be, is going to be in a position to say where stocks will be a few years hence. It is all very well for the minister to take the ground that one of these days we shall return to something like normalcy. As he knows very well, some of the most eminent economists are of the opinion that there is going to be no such return. In that event there is misrepresentation of the real affairs of the company. I would urge that the minister be satisfied with the present legislation and eliminate the words "stocks and other securities", leaving the act in this regard as it was before.

Mr. RHODES: I cannot agree with my hon. friend from Winnipeg North Centre (Mr. Woodsworth) that the provision arises because of the position of one insurance company. On the contrary, it was required in the general interests of all the companies, and I may say it was welcomed by all of them in precisely the same way as it was in the United States, where the same practice obtained. The practice obtained in Canada during the war. My hon. friend is labouring under the assumption that this authority rests with the superintendent of insurance. If he will examine the bill he will see that the authority rests in the minister. That may not afford any degree of additional protection so far as my hon. friend is concerned, and I do not present it for that purpose, but simply to emphasize ministerial responsibility and to remind him he should be accurate in his facts.

As, Mr. Chairman, it is not proposed to go on with these bills this evening, and as we have private bills between eight and nine o'clock, I move that the committee rise, that Bill No. 66 be reported, and that with respect to the other two bills the committee report progress and ask leave to sit again.

Mr. COOTE: With regard to the discussion as to the market price of Dominion of Canada bonds, I think the policy of the present government is responsible for their low price on the market to-day. If we had a Progressive government in power we would restore the prices of those bonds. I should not like the committee to remain under any wrong impression as to the reason for the low price of our bonds at the present time.

Bill No. 66 reported.

Progress reported on Bill No. 67 and Bill No. 68.

At six o'clock the house took recess.