

Mr. J. A. CURRIE. The reason is that this question is a matter of litigation now with companies.

Mr. FIELDING. Not affecting this company.

Mr. J. A. CURRIE. Why should we put in this Bill a clause which may, inside of six months, be declared ultra vires?

Mr. FIELDING. I am not aware that in any litigation, the constitutional power of parliament to pass a clause of this kind is raised. There may be litigation as to the meaning of a similar clause in another charter, but I am not aware of any question being raised touching the constitutional authority of parliament to enact such a clause.

Mr. J. A. CURRIE. This involves a constitutional question. A company enters into a contract with an individual by which he is to participate in the profits. If that be a civil contract, it will be defined according to the civil law of the provinces. Have we the right to limit the scope of the contract and prevent an insurance company from giving more or less than a certain percentage of profits if their contracts should be to the contrary. On several occasions Bills have been before this parliament touching on civil rights. There was one in which the Methodist Missionary Society was concerned. An attempt was made to insert a clause providing that conveyances granting land to that society should contain certain clauses or conditions. This House objected to inserting any clause which would interfere with the rights of the parties to make a civil contract as that was a matter entirely within provincial jurisdiction. I think that we should hesitate before inserting the clause in question. The matter will shortly be decided by the civil courts, and in the meantime I think we should not pass legislation that may be contrary to that finding. I can see no reason why an insurance company should not have the right to distribute its profits to participating policy-holders in accordance with the contract between them and the company. Leave it to the company to agree to give 10, 20 or 95 per cent of the profits or whatever they like but have that stipulated in the contract. As it is, there is now nothing in the contract, and a man, who has taken out a policy on the faith of representations made to him by an insurance agent, finds there is an Act of parliament limiting his rights and giving him less than he was told he would receive.

Mr. FIELDING. I am not in charge of the Bill and not particularly concerned in its advancement. If my hon. friend's view be correct, it would be better to discuss it when considering the general Bill, so that

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whatever we may do will apply, not to one company alone, but to all.

Mr. KNOWLES. I would be quite willing to acquiesce in the suggestion of the hon member for North Simcoe (Mr. Currie) if I could see any reasonable ground for believing his anxiety well founded. It would be rather presumptuous on my part to give an opinion off-hand on a debatable point regarding constitutional law, but I can see no reason for hesitation in this matter. When we have the power to create an insurance company, surely we have the power to place whatever restrictions we may deem advisable on its operation. True, the provincial legislatures have jurisdiction in matters of civil contracts, but that must be taken within limits, such as in the case before us where we are asked to create a company and define what powers we shall give it. My hon. friend the Minister of Finance has called attention to the fact that this is the first occasion when objection has been raised to legislation of this kind; and before being asked to hold the Bill over, we ought to have some stronger reasons given for contending that it is ultra vires. Surely the anxiety of one individual is not sufficient reason for holding over the Bill. With all due regard for the valuable opinion of my hon friend, with which he so kindly favours us on frequent occasions, there is no documentary evidence and no seriously considered opinion submitted which would be a justification for our delay in passing the Bill.

Mr. J. A. CURRIE. I may say that a corporation has no right to divide its profits with its policy-holders or the public unless there is a special clause in its charter allowing it to do so. That is the law in England and every other country. This clause is placed in the charters of insurance companies to enable them to divide their profits and the charters of insurance companies give them the right to secure business not only in Canada, but in foreign countries. Have we the right to impose a limit in insurance contracts restricting the division of profits? Why should not the division of profits be a matter of simple contract between the company and the party insured. If you give a company the power to divide its profits with the policy-holders, why not let the percentage of profits be a matter of contract and written on the policy. Instead of doing this you frame this general clause, which is so worded that it enables an insurance company to avoid putting a clause in their contracts stating the amount of division. Thus a man may be induced to insure with the idea that he is going to receive a much larger percentage, and then, after he has paid in his premiums for many years, he finds, on looking at his policy, that there is no clause telling him what he is going to get,