

ment cannot do otherwise than deal with the situation as they find it, and perhaps if government in the past had listened a little more to the protests that came from this section of the house, such a provision as this would not have been necessary, because those of us who had paid any attention to the insurance business in Canada knew what was taking place in this regard and warned the house about it. But the point is that no provision is made for any specified time within which this or any company having an excess of fifteen per cent of its book assets invested in common stock, can now come within the provision of the legislation. It may be very difficult to arrange such a time, but some limitation should be imposed, so that any company coming within the provisions of this section would understand that the people of Canada, while they have been very kind in giving them an opportunity to correct their insurance practice, feel that the sooner the correction is made the better. There ought to be some provision in the section for that purpose, but I cannot see any in the bill as it stands.

Subsection 8 provides that shares of common stock which may come as bonuses or dividends to companies from investments already made should not be regarded as an investment in common stock within the meaning of this act. It may be advisable to retain that section on the ground that insurance companies now have investments in common stocks of other companies, and such companies, while they may be in very good condition, might find it necessary to refinance and might grant certain privileges to the insurance companies holding their stock. But at the same time there might be considerable abuse, and it appears to me that at least some consideration should be given to the section and safeguards taken against possible abuses.

There is another section to which I wish to refer, namely, subsection 2 of section 71, which provides that in a period of depression any insurance company which finds that its stocks have gone down with all other stocks may, in order to appear solvent in its books, write up its assets within certain limitations. Again I do not object; that may be necessary at certain times, but I do say that the same privilege should be given to everybody else. If the farmer, for instance, could write up the value of the butter and the eggs and the wheat that he has to sell he would be solvent, but there is no such provision made for him. This really appears to be class legislation. Very careful consideration should be given to this section of the bill.

I trust that the minister will explain why the sections of the old act which I have men-

[Mr. Irvine.]

tioned are not included in the bill, and will endeavour to answer the questions I have raised with respect to the particular sections I have mentioned.

In conclusion, I should like to say that in my opinion the insurance business in Canada perhaps is more ripe than any other business to be taken over by the state. If it had not been for the action of the Prime Minister and the government, we would now have neither insurance companies nor banks in Canada. In my opinion the action which the Prime Minister and the government took saved these institutions. But for the credit of the nation that was placed behind the banks through the Finance Act there is not a bank in Canada would have stood, and but for the special legislation by order in council with respect to insurance companies, there would be no insurance company in Canada to-day. I commend the government for its action in those respects. It was necessary to save those institutions. But, Mr. Chairman, we do not want to save them for private individuals. If it is necessary to place the credit of the people of Canada behind such institutions, we want to control them for the people of Canada, and so I suggest that the government next year bring down legislation nationalizing the entire insurance business in this country. The business of insurance belongs to the people. It is the easiest and safest business to run; it is the most important from the point of view of finance, and I trust that the government will take it over.

Mr. RHODES: May I express my thanks to the hon. member for Wetaskiwin for his courtesy in advising me that he intended to make some references, by way of fair criticism, to certain provisions of this bill. If it meets with the approval of the committee, I shall endeavour to deal with the observations made by my hon. friend, especially as they have applied to various sections of the bill, in one reference rather than wait till we come to the particular sections involved.

In the first place my hon. friend has asked why sections 56, 57 and 82 of the old Insurance Act do not appear in this new measure. Let me point out that the insurance bills as they appear before this house represent not only the wisdom and judgment of the Senate, which gave many weeks of careful study to them, but also the combined judgment of all parties who evinced an interest in insurance legislation, including the provinces, which hitherto have opposed the dominion in its attempt to deal with insurance legislation at all. The reason these sections have been left out is due solely to the fact that, in the opinion of eminent counsel, to reenact them