itself out. I do not know which is the greater convenience. Certainly I would think it would be cheaper for the company to do it by application to the governor in council, as will be provided for under the regulations that will be passed in this regard, than to do it through petition and private bill.

I would also like to receive some clarification from the minister as to who is to determine the degree of residence and who is to determine whether there has been indirect control by a trust, as mentioned in clause 16 with regard to section 4 (b). This is of great interest to us. Is it the superintendent of insurance who is to determine whether there is such indirect control under the trust? The bill is silent in this regard; nowhere have I been able to see this. Perhaps the minister would make a note of this point and give the house the information, because I think it is very important to know what person or persons are to be the judge of matters of this kind. Where lies the discretion of the interpretation; and is there appeal from it? What recourse would a corporation have with regard to an adverse decision as to the residency of one of its shareholders, or as to whether there was a breach of the rules through indirect trust? This is all I am going to say at this time in regard to the ownership or the retention of control, so-called, of Canadian life insurance companies not under foreign control.

I would like to turn now to the consideration of the changes in the class of assets that may be vested in trust in Canada by British insurance companies and foreign insurance companies, so that they are both put on the same basis. There is an extension provided for in regard to bonds issued by fabriques of parishes in Quebec. I may be a little hazy in this connection, but does this mean the incorporation of a religious parish in the province of Quebec; and is there any difference between that and a properly constituted parish in one of the common law provinces, because they all issue bonds to cover indebtedness for capital purposes. I know there are fabriques in other provinces because during my experience with one of the chartered banks I was certainly aware of bank accounts being maintained by the fabriques of French speaking parishes outside the province of Quebec. Why, therefore, is the provision limited to fabriques of parishes in Quebec? Why not in New Brunswick; why not in some of the other provinces? Perhaps the minister will answer this question when he is replying later.

There is also going to be an extension of investments in leases and leaseholds. In the committee we will be able to go into some of the legal implications of what you can do in the hypothecation of leaseholds in those provinces with the Torrens system, where they do not provide for the separate registration of titles to leaseholds. This is a narrow legal point. There cannot be a separation of the freehold from the leasehold, at least as the legislation now provides. If my memory serves me correctly—and I hope I have not been away from the law of the province of Alberta too long—this would be the case in that province. True enough, one can hypothecate a lease through filing a caveat, but it is a complicated process and it is not as neat as would be the case if the leasehold were registerable as a separate title. I will not go into that matter further, but we can deal with it in committee.

The one instance where I think the minister has taken a step in the right direction, though, is that he has opened up the provisions concerning investment in the preferred shares of companies which have the proper dividend or earnings record. The old provision which required a company to have had earnings of a minimum rate of, I believe, 4 per cent and to have had declared dividends for a period of five or more years was, I think, self-defeating because this category of companies was forced to divest itself of its earned surpluses through dividends so that it could sell its preferred shares to a firm that was investing in it. It was being prohibited from accumulating capital for its own expansion by the requirements of the act, which forced it to declare and pay dividends so that life insurance companies could invest in its preferred shares or in other types of obligations. I think that was wrong and I am glad to see the minister has taken this step. I am hopeful that this amendment will see an improvement in this particular type of investment.

One concern that I hinted at when the minister made his first statement was that now trust, loan companies and life insurance companies would be able to invest in real estate companies. It is all right if you have these companies able to control a realty holding company which is concerned with the real property or the premises—the bank premises, or whatever you want to call them —or in any event, the premises of the life insurance company, and actually administering those properties. True enough, we know that the life insurance companies have rather