

II. Companies incorporated under the "Canada Joint Stock Companies' Act, 1877," now known as the "Companies' Act," being chapter 119 of the Revised Statutes of Canada (1886).

III. Companies incorporated under special Acts of the Legislature of the Province of Canada or of the Parliament of the Dominion of Canada.

IV. Companies incorporated under the "Ontario Joint Stock Companies' Letters Patent Act, 1874," being chapter 150 of the former and chapter 157 of the last Revised Statutes of Ontario.

V. Companies incorporated under the English Companies' Act, and licensed to transact business in Canada under 37 Victoria, chap. 49, being chapter 125 of the Revised Statutes of Canada.

The Board, after careful consideration of the report of the Superintendent of Insurance as to the class of securities upon which the above companies can invest their funds, and as to the borrowing powers of the said companies, and having regard to the fact that the companies mentioned in Classes I and II, viz., Those incorporated under the "Building Societies' Act" and the "Companies' Act," possess only limited power of borrowing and are restricted to investments that are usually considered the safest that can be had, direct that the debentures and debenture stock of such companies, belonging to these two classes, as meet the requirements herein-after set forth, may be accepted as deposits on behalf of insurance companies, at such rate as the Treasury Board may see fit to place upon them, not, however, to exceed the value usually placed upon municipal securities, viz., 90 per cent. of the par value thereof when the market value is at least equal to such par value, or 90 per cent. of the market value, when the market value is less than the par value.

The requirements above referred to are as follows:—

1. The company shall have kept strictly within the powers in relation to borrowing and investment conferred upon it by the Act under which it is incorporated.

2. It shall have a paid-up capital of at least \$500,000.

3. It shall have been in successful operation as a loan company for not less than ten years.

4. It shall have a reserve fund amounting to not less than 25 per cent. of its paid-up capital.

5. Its stock shall have a market value of not less than 25 per cent. premium.

The Board also direct that the debentures of such companies, coming under Class III above mentioned, viz.: those incorporated under private Acts, as fulfil the foregoing requirements, and those borrowing powers and powers of investment are not greater than those of companies coming under Classes I and II, may be also accepted upon the terms above indicated.

The Board also direct that every application on behalf of an insurance company for the acceptance of any such debenture or debenture stock as herein above provided, shall form the subject of a special reference to the Treasury Board, and that the company shall supply all necessary particulars (properly verified if required) for the information of the Board." (T. B., 19th June, 1889.)

No Assurance of acceptance of Bonds by the Treasury Board.—"The superintendent asks the decision of the Board upon the following question, viz.: * * * 'Will the Board inform a company desirous of purchasing certain bonds or securities whether they will be accepted or not as a deposit in the event of their being purchased?'

* * * * *

"The Board, after deliberation, are of opinion that they cannot give any assurance to any company that securities will or will not be accepted in the event of their being purchased." (T. B., 1st April, 1889.)

Deposit Receipts.—"The Board direct that deposit receipts be not accepted in any case as a deposit on behalf of any company." (F.B., 25th January, 1888.)

Bank Stock, &c.—"Bank stock or shares in any private company will not be accepted." (O.C. 17th January, 1876.)