

investment you can get. Will my hon. friend suggest that the investments of insurance companies should be limited to the bonds of Canada?

Mr. IRVINE: No.

Mr. RHODES: The remarks of the hon. member for Wetaskiwin have been quite in keeping with this matter, and his suggestions and criticisms have been very constructive. I do not think any exception can be taken to anything he has said.

Section agreed to.

Section 9 agreed to.

On section 10—Stock transferable.

Mr. SPENCER: I understand from the Minister of Finance that sections 56, 57 and 82 of the old act are left out of this bill in order to get away from the decisions of the privy council. Does the minister think that we are safe in passing this bill and that it will not be challenged by the various provinces?

Mr. RHODES: I cannot answer that question either negatively or affirmatively. I can only say that the bill was drafted after full conference and consultation with eminent counsel who represented the three provinces which have hitherto taken exception to dominion jurisdiction, and that the bill meets substantially with their approval. At all events it is safe to say that they have not taken active steps in opposition to the two bills as they now stand, and I hope after we have operated under this legislation for a year or so, the provinces will accept them without question.

Section agreed to.

Sections 11 to 31 inclusive agreed to.

On section 32—Liability of directors for transfer of shares.

Mr. SPENCER: Are special penalties provided for directors who mismanage their companies?

Mr. RHODES: Section 118 provides for penalties.

Section agreed to.

Sections 33 to 43 inclusive agreed to.

On section 44—Approval of by-laws by treasury board.

Mr. RHODES: I am going to propose that subsection (7) of this section be amended by striking out the words "under the provisions of this act or of the Winding-up Act," in the [Mr. Nicholson.]

third and fourth lines, and striking out the words "of this act and" in the fifth line thereof. This amendment is necessitated because of the fact that there is no provision in this act for winding up, and the only act under which that process can take place is the Winding-up Act.

Mr. RYCKMAN: I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Sections 45 to 62 inclusive agreed to.

On section 63—Investment of company's funds.

Mr. SPENCER: This is the contentious clause. I should like again to refer the minister to subclause 6 of this clause and to ask him whether he would not give consideration to reducing that figure of fifteen per cent.

Mr. RHODES: I do not think there is anything I can add to what I said a short while ago regarding this particular clause. It may be that fifteen per cent is too much; it might be that ten per cent would be too much. As to that I cannot say, but I have said that this percentage represents the combined judgment of those who devoted a great deal of time and careful thought and study to this subject, including the life insurance companies themselves, who hitherto, when no limitation had been imposed upon them, invested not more than two per cent of their funds in common stocks. We might be well advised to let this figure remain as it is, and, as we proceed from session to session, revise it if necessary.

Section agreed to.

Sections 64 to 80 inclusive agreed to.

On section 81—Maintenance of separate funds.

Mr. RHODES: I have a minor amendment to move to this section, namely:

That subsection one be amended by striking out the words "registered under the provisions of this act to transact the business of life insurance."

This is merely for the purpose of good wording, because the clause would be correctly expressed with those words included. They are surplus, unnecessary. I shall ask my colleague, the Minister of National Revenue, to move this amendment.

Mr. RYCKMAN: I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Sections 82 to 89 inclusive agreed to.