

the law in each province with regard to the investment of trust funds.

Mr. R. L. BORDEN. When we come to section 18 I intend to move to insert these words which are found in some other charters:

The powers and authorities hereby granted to the company shall be exercised subject to the laws of any province in that behalf.

Mr. FIELDING. I do not think there would be any objection to inserting these words.

Mr. W. F. MACLEAN. I want to tell the Minister of Finance that he will soon have to give his attention to some kind of legislation regulating the trust funds of insurance companies, and especially life insurance companies. He will need to legislate with the view of getting a higher grade of securities for these funds and insisting on more frequent publication of the investments. We need a law that any insurance company making an investment of any special fund to the amount of, say \$100,000, ought to make it public within a month after the transaction. It is a question in which a good deal of interest is at present being taken. Only to-day I was talking with a gentleman who is rather well posted on the subject and he said that that was one question which would have to be taken up at a very early date. I referred to it incidentally the other day and I am again bringing it up now for it is a matter which is well worthy the attention of the minister, namely the revision of the law in regard to trust funds of insurance companies and some method of raising the standard of these investments. There should be a reform also in the direction of the publication, at frequent dates, of any large investment made by any insurance company so that the policy-holders who are really the ones interested in these great trust funds, should know the way that money is invested.

Mr. FIELDING. While it is rather broadening the question, I may say that my difficulty so far has been in keeping the standard up to the point at which we now have it placed, because insurance companies have frequently made representations to me that our restrictions in regard to investments are so severe that they cannot keep their funds profitably invested under them, and in consequence they are not able to offer as good terms in some cases as are offered by other companies with wider liberty of investment. I have so far resisted the movement to make the standard any lower than it is at present. When we restrict the investing power it follows that they get a low rate of interest.

Mr. FOSTER. Supposing that an insurance company from the United States is doing business in Canada. The United States Insurance Company has a certain

Mr. BRODEUR.

limit of investment. Is that limit larger or more extensive than the limit which is accorded to a Canadian company?

Mr. FIELDING. The investment powers of American companies are as a rule broader than the investing powers of Canadian companies and the British companies have also broader powers. The Canadian companies complain that they have to compete with American and British companies on which the restrictions are not so great so that these outside companies are able to earn higher rates of interest. However, the main interest after all is to see that the funds are safely and wisely invested, and I have had to differ with some companies in the last few years which desired to have the restrictions removed.

Mr. W. F. MACLEAN. I do not think that the minister would say that the class of investments of the Canadian companies is equal to that of the British or American companies.

Mr. FIELDING. They have powers which we do not grant; how they exercise that power is another question.

Mr. W. F. MACLEAN. I think we will have to admit that the class of security is better in the other two countries than in Canada.

On subsection (d) of section 11,

In such securities as are specified by the terms of any trust, or by the order, judgment or decree of a court, judge or prothonotary.

Mr. FOSTER. I suppose that the first part of this subsection is all right.

In such securities as are specified by the terms of any trust,—

A man puts his money into the hands of a trust company and he has a right to specify how it shall be invested, and the company should have the power to invest it in such securities as he thinks fit. It then reads.

—or by the order, judgment or decree of a court, judge or prothonotary.

I do not know why the prothonotary is included.

Mr. FIELDING. I am informed that in Quebec the word 'prothonotary' has a special meaning and that he has powers that he does not possess in any other province.

Mr. BRODEUR. He is the clerk of the court, the same as the clerk of the court in the high Court of Justice. For example he exercises the power of appointing a tutor or guardian, instead of having the appointment made by a judge. I may say that this company is not likely to do much business as a tutor or guardian in Quebec because under our law no corporation is permitted to act as a tutor or guardian unless