

Department of Insurance Act

the bill, and where it is reasonably possible I think that such suggestions should be accepted. I have in mind, therefore, that a few amendments might be proposed in committee, and if I may be permitted to say so in passing, it seems to me this is a fairly effective way of proceeding, namely to announce legislation and then permit an interval of time for interested parties to examine it and, if they have changes or improvements to make, to allow them to appear before a standing committee of the house, make their case, and if the committee thinks their changes are reasonable I for one would welcome changes of that kind.

For example, an amendment would be proposed to permit insurance companies to subdivide the par value of their shares down to a minimum of \$1, subject to the preservation of a reasonable balance in voting power between the shareholders and the participating policyholders of a life insurance company. I might say the purpose of this is to reduce the market value of individual shares, so that there will be a broader market in Canada for the shares of certain companies.

A further amendment would permit loan companies to own subsidiary trust companies. We already have two examples of this situation now existing, and with the proposed modification in the borrowing limits, a parent-subsidiary relationship in this field would not weaken the protection given to depositors and debenture holders by these limits. A third amendment to the act would give insurance companies the power to invest in real estate which is leased to a municipal government in addition to the power proposed in the bill to invest in real estate which is leased to a national, provincial or state government. There may also be one or two other amendments of a minor and technical nature which the committee might be willing to entertain.

Those were the principal comments I wished to make before emphasizing again that at the conclusion of this debate I will move that this bill be referred to the standing committee on banking and commerce.

Mr. Lambert: May I ask the minister a question? It is related to a point of order. Is he satisfied that the amendments he proposes to put forward in committee do not extend the principle of the bill? If they do, he would find himself in a procedural difficulty because we could not adopt the amendments if they had the effect of extending the principle of the bill.

[Mr. Gordon.]

Mr. Gordon: I am satisfied they do not extend the principle of the bill. In any event I put these suggested amendments forward by way of explanation. It will be up to the members of the committee to decide whether or not they should be approved.

Hon. George C. Nowlan (Digby-Annapolis-Kings): We have listened with a great deal of interest to the minister giving a general outline of this bill, a bill which in effect amends four different Canadian statutes. As the hon. gentleman has said, most of these amendments are technical, at least as far as investments are concerned, and I agree it would be much better to deal with them in detail when we are in the committee. I agree also that this measure should be referred to a standing committee of the house rather than be dealt with here, in detail, in committee of the whole. If this is done I am sure the committee will spend several lengthy sessions considering these intricate matters; I am glad to see the chairman of the committee smiling hopefully as he assesses the task ahead.

As the minister has told us, we are dealing here with the Canadian and British Insurance Companies Act, the Foreign Insurance Companies Act, the Trust Companies Act and the Loan Companies Act. Quite a mélange. As a lawyer who practised for a long while in a small town I always took strong objection to these blanket amendments in which three or four acts were dealt with under one roof. In the absence of a large legal staff or the facilities of a great library one can devote a great deal of time delving into statutes looking for an amendment to, say, the Insurance Companies Act. You do not find one; you tell your client there has been no amendment, and then, by golly, you find it has been amended as part of a blanket operation which includes half a dozen others. This is a bad practice. I am not blaming the minister, in particular; the government in which I had some part to play carried on the same practice, over my protests I must say. And I still think the practice is a reprehensible one. However, that is a more or less technical point which I raise in passing.

As the minister says, this bill can be divided into two principal parts, one dealing with control and ownership and the other dealing with investment powers of companies. The hon. gentleman spent the major part of his time dealing with the investment provisions. Each of these parts is technical, but I think the investment sections are the more technical of the two. I do not propose to