

devise, bequest, endowment or otherwise, real or immovable property required for the actual use and occupation of the association, or necessary or requisite for the carrying out of its objects; and may sell, mortgage, pledge, hypothecate or alienate such property in any manner whatever.

That, of course, is a power which is given to nearly all such organizations, to hold property, not for speculative and mere holding purposes but for their own use.

In the act of incorporation there is also this paragraph:

The total value of the real property held by or in trust for the association at any one period shall not exceed one hundred thousand dollars.

There is a further provision in the act whereby no property acquired by the association and not required for its actual use and occupation shall be held by the association for a longer period than ten years after its acquisition, or after it ceases to be required for the association's use or occupation. In such cases the property must be sold within ten years of its acquisition. This provision of the act is in no way affected by the proposed legislation.

The real purpose of the bill before us is to relieve the association from selling the building which it has occupied for a great many years, and which now may well exceed the monetary limitation of \$100,000 allowed under its act of incorporation. The bill proposes to remove section 12(2) of the act, which I have just read, and to substitute therefor the following section:

There shall not be, and shall be deemed not to have been in the past, any limitation on the total value of the real property held by or in trust for the association in accordance with subsection (1) of this section.

There are many precedents of associations of this kind being allowed to hold property of any value so long as it is for their own use and occupation. Not many such associations are subject to any limitation in this respect.

If honourable senators give second reading to this bill I will move that it be referred to the Standing Committee on Banking and Commerce. I suppose it could go to the Standing Committee on Miscellaneous and Private Bills instead, but legislation having to do with insurance usually goes to the Banking and Commerce Committee and, unless there is any objection or advice on the point, I propose to move that the bill be referred to that committee. When it is before the committee various precedents can be asked for—I could give them now but they are numerous—of associations of a character such as this being allowed to hold property for their own use and occupation without a specific limitation upon the value of the property.

In view of the fact that for many years no further property has been acquired by this association, and it is not now proposed to acquire further property but only to continue occupying that property which has been occupied in the past, I can see no reason why the association should not be given the widest possible rights in that regard.

Hon. Mr. Isnor: Does the association occupy the whole of the building?

Hon. Mr. Roebuck: I know it occupies the building for its own use and in the same form that it has occupied it for many years past, but whether it rents out a portion of it I cannot say. If that question is important it can be answered when the bill is in committee.

Hon. Mr. Haig: Is there not a limit on the time during which insurance companies can hold such property?

Hon. Mr. Roebuck: I can cite a great many precedents where that is not so. The restriction seldom applies. Very few acts of incorporation put a limitation on property used by these associations.

Hon. Mr. Connolly (Ottawa West): Under the mortmain laws of Ontario a company of this character which is not incorporated in Ontario usually requires what we call a licence in mortmain. If the value of the property exceeds the amount that the company is authorized to hold by that licence, there is a danger of forfeiture. Perhaps information in that regard applying to the bill before us is not readily available today, but we might make an inquiry about that when the bill is in committee. If forfeiture takes place, then the company is without its property, which goes to the Crown.

Hon. Mr. Roebuck: And the company is in pretty bad shape.

Hon. Mr. Connolly (Ottawa West): Yes.

Hon. Mr. Roebuck: Well, this company has a licence in mortmain from the province of Ontario.

Hon. Mr. Connolly (Ottawa West): Is the amount specified in the licence more than \$100,000?

Hon. Mr. Roebuck: I do not know that.

The motion was agreed to, and the bill was read the second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Roebuck, the bill was referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.