

Mr. FIELDING. The purpose of this Bill is to create a company which will take over the provincial company and then have power to extend its business throughout the Dominion.

Mr. HAGGART. Yes, but we may be confirming powers which this company has in its provincial charter and which we would not give them in a Dominion charter.

Mr. MACPHERSON. At present this company cannot operate outside of British Columbia under its charter. It wishes to extend its business in other parts of Canada and it seeks for a Dominion charter. This Bill contains the model charter and they are getting no extraordinary powers from the Dominion parliament in any shape or form.

Mr. R. L. BORDEN. This Bill appears to create an entirely new corporation with certain new powers. I do not observe in the Bill any provision that the new company shall have all the powers now possessed by the old company, but it seems to be the scheme of the Bill that the new company shall have only such powers as are conferred by this Act. All the assets of the old company are turned over to the new company which will assume all the liabilities of the old company.

Mr. HAGGART. If it is an entirely new charter that meets the point I have raised.

On section 5—liability of new company,

Mr. R. L. BORDEN. The proviso is rather peculiar. I do not know exactly how the abandonment there referred to can be created.

Mr. FIELDING. The Superintendent of Insurance advises me that this follows the language of other charters of a similar character. I suppose it means that a man is not to be liable to both companies.

Mr. R. L. BORDEN. I understand the object of it perfectly. The object is this: if you propose to come upon shareholders for an amount still due upon their shares in respect of any liability of the company—in other words, if you attempt to enforce a liability of the company by proceeding against the shareholders, you shall not proceed against the shareholders of the new company, unless you abandon any claim against them as shareholders of the old company. But just take a concrete case: some person may have a claim against the new company and is unable to collect that claim; he desires to proceed against the shareholders in respect of their unpaid liability upon their shares; the very first thing that would confront a counsel would be the necessity of abandoning in some way his client's right against the shareholders of the old company, and it seems to me it is rather

difficult to know how to do that effectually.

Mr. FIELDING. This appears to follow the language of the old statutes, and I do not know that we can make it any clearer.

On section 12,

Mr. HAGGART. The provincial Act, under which this company seems to have had its charter, may provide certain limitations or restrictions. You are now taking the insured from one insurance company and putting them under another. Does that remove these restrictions?

Mr. FIELDING. It is intended that they shall become subject entirely to the provisions of the Dominion legislation.

Mr. HAGGART. But there may be contracts under the provincial Act. How are you to protect those who have contracts with the company under its provincial charter?

Mr. FIELDING. I should think that a policy under a Dominion charter would be as good as one under a provincial charter.

Mr. LENNOX. That is not the point. The point is does the company get rid of obligations that may arise under the provincial charter?

Mr. FIELDING. Sections 4 and 5 guard against that. The new company has to carry out all the contracts and liabilities of the old one.

Mr. LENNOX. Is it the policy of the government to give to insurance companies, under provincial charter, a Dominion charter when these companies wish to do business throughout the Dominion?

Mr. FIELDING. I do not think we could offer any objection. If a provincial company desires a Dominion charter, it would not be our policy to offer any objection. There has been no objection to such a course in the past.

Mr. MACPHERSON. How about section 5 to which the leader of the opposition referred?

Mr. R. L. BORDEN. I would think it might be put in a much more satisfactory form perhaps:

Provided, however, that any person who recovers under section 150 of the Company's Act in respect of any shares in the new company shall be held to have abandoned, pro tanto, his right to recover in respect of the corresponding shares in the old company.

Mr. FIELDING. That is his own Act shall constitute an abandonment in respect of the old company without his having to make any formal abandonment.

Mr. MACPHERSON. He automatically abandons it.