

Private Bills

Company. Pitts Life Insurance Company was incorporated on March 1, 1963 under the Ontario Corporations Act and Pitts Insurance Company was incorporated under the Ontario Corporations Act on July 5, 1956. The principal place of business of both companies is London, Ontario, which is where the head office of both companies is located. They are small companies. The Life Insurance Company having commenced business in 1963 had a paid up capital of \$260,000. It has had a good record of development since that time. Its capital and surplus now total in excess of \$1 million. Similarly, the general insurance company started in 1956 with a capital of \$100,000 and has grown to have a combined capital and surplus figure in excess of \$600,000.

• (5:00 p.m.)

The most important feature of these companies is that they are both wholly Canadian owned. They started their existence through their connection with the Dominion Automobile Association, whose directors and shareholders are virtually the same as those of the companies we are now considering. The members of the Dominion Automobile Association have the benefit of a certain coverage under the life insurance company and the general insurance company. All the directors and shareholders are Canadian and are in fact employees of the companies.

The reason for the federal incorporation is that the membership of the Dominion Automobile Association has expanded considerably since its inception, the companies have substantially increased their volume of business and now do business in several provinces. However, there are several provinces in which the Automobile Association is able to solicit membership but in which there are certain technical difficulties about doing business under an Ontario provincial charter. Since it is very natural at this stage for these companies to extend their businesses into these provinces, they are desirous of obtaining incorporation under an act of the federal Parliament.

This matter came before the House in December, at which time, upon the request of some members opposite, I agreed to stand the matter over until this time because in December there had not been sufficient time for some members opposite to familiarize themselves with some of the information that was pertinent to their decision as to whether incorporation by an act of the federal Parliament should be granted. I think those members have now had time to explore the back-

ground of these companies and to satisfy themselves that they are indeed wholly Canadian owned companies, and that their motive in applying for a federal charter at this time is to enable them to do business on a wider basis throughout the Dominion of Canada. In fact their plan, if the present trend continues, is, perhaps in three or four years, to expand their business into the United States, which, I am sure, hon. members will find is a welcome and refreshing change from the usual trend of American companies expanding their business in these fields into Canada.

I trust that hon. members have taken the trouble to examine the Senate minutes and *Hansard* records that are relevant to these matters and to otherwise inform themselves about the affairs of these companies to satisfy themselves on the points that I have mentioned. I hope that they will have found that these companies are indeed worthy of receiving a federal charter. I believe that wholly Canadian owned companies doing successful business should indeed be encouraged to expand their operations on a national basis, for which a federal charter is a virtual necessity. I also believe that they should be encouraged further to expand their business into the United States.

Accordingly, I have pleasure in commending the bill to hon. members.

Mr. Arnold Peters (Timiskaming): I do not want to say very much except that this type of bill will not have to come to Parliament after the legislation concerning insurance companies is passed later on in this session.

I am pleased to note that the company which is to be incorporated is wholly Canadian owned and is operated by Canadian personnel. I also note that the bill contains a few other items of information other than the fact that the company is connected with the Dominion Automobile Association. The fact that the company is Canadian, and that it is operated by Canadians, meets the criterion that we suggested should be a requirement for companies being chartered in Canada. Personally, I will be interested to hear the arguments advanced by counsel in the committee indicating their support of the idea of insurance companies operated by Canadians and for Canadians.

Mr. John L. Skoberg (Moose Jaw): Let me say very briefly that I also am pleased to note that this company is to be wholly Canadian. However, I should like to say that regardless