

Private Bills

[English]

AETNA CASUALTY COMPANY OF CANADA

On the order:

Resuming debate on the motion of Mr. Cameron (High Park) for the second reading of Bill No. C-112, an act to incorporate Aetna Casualty Company of Canada.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I wonder whether this bill could stand, and may I call it seven o'clock?

Some hon. Members: Agreed.

Mr. Frank Howard (Skeena): Normally, Mr. Speaker, I would not object to the minister doing this, but this particular insurance company, Aetna Casualty Company of Canada, as was mentioned earlier, is one to which we raise very strong objection. I hope, by design, to have the floor when it becomes seven o'clock so that the bill will end up at the bottom of the list, where it belongs. Perhaps the minister would give me just a few moments and then he can call it seven o'clock. I would be quite happy if that could be done. I had the floor on May 30 at seven o'clock and had some further remarks to make when I was interrupted by the clock.

As I have said, it was very difficult to follow the hon. member for High Park (Mr. Cameron) in his introductory remarks, partly because I did not have a program, as was the case today. Since that time I have had the opportunity to read some of the remarks of the sponsor of the bill when he moved second reading. As will be found at page 752 of *Hansard* for May 30, the hon. member for High Park said with respect to the company before us:

The proposed company would be a subsidiary of the Aetna Casualty and Surety Company of Hartford, Connecticut. The Aetna Casualty and Surety Company is a corporation carrying on a substantial general insurance business in the United States of America with its head office at Hartford, Connecticut.

The hon. member then pointed out that the 1965 premium income of Aetna Casualty increased 17 per cent to \$665 million. If the Minister of Finance (Mr. Sharp) could somehow have found that extra income, we could have looked for a balanced budget this year instead of having a deficit of \$750 million. The hon. member for High Park then said:

The Aetna Casualty and Surety Company of Hartford has conducted business in Canada for some years and has held a certificate of registry under the Foreign Insurance Companies Act for the past 48 years.

He said that this company has never had any offices in Canada and a substantial part

of the business conducted by the company has been with United States corporations which have subsidiaries operating in Canada. So not only is Aetna Casualty Company of Canada owned by a United States company in Hartford, Connecticut, but most of its business in Canada, which is conducted without its even having an office in this country, has been carried out with companies that are also subsidiaries of United States corporations.

I think there are two strikes against the company which deserve our consideration. The first is that it has been a sort of fly-by-night venture for 48 years, and has now finally got around to the point where it thinks it would be worth while and desirable to become incorporated as a company in Canada, and be legitimate, as the saying goes.

We have a fine example in this respect for those who believe in good Canadian corporate citizenship. This principle was enunciated by the Minister of Trade and Commerce (Mr. Winters) in a letter to all subsidiary companies in Canada telling them what they should do to be good Canadian corporate citizens. It would seem to me that the example set by the promoters and sponsors of United Investment Life Insurance Company was a good one, where they said: Yes, we are an American company but within a period of 10 years we intend to phase out American ownership to the point that at the end of that period the company will be Canadian owned.

I think this is the principle which should be followed by Aetna Casualty Company of Canada. I submit that this company should follow the lead and example set by United Investment Life Insurance Company and should take at face value the declarations of the President of the Privy Council (Mr. Gordon), the declarations of the Prime Minister (Mr. Pearson), and the feeling of the parliament of Canada. Perhaps I am being overly generous in this respect, but I think relatively few members of parliament would object to the idea of a company seeking to become Canadian owned over a reasonable period of time.

We have the example, not set by the Mercantile Bank, but enforced by the government in respect of that bank and followed by United Investment Life Assurance Company. I hope this company will do the same.

Mr. Speaker: Order, please. The hour appointed for the consideration of private members business has now expired. The house will now resume the business interrupted at six o'clock.