

*Government Orders*

substantial investment that do not provide information processing services to other entities,";

(b) by relettering the subsequent paragraphs and any cross-references thereto accordingly

Motion No. 7B

That Bill C-28 be amended in Clause 441 by striking out lines 44 to 46 on page 239 and substituting the following:

"and services respecting risk management and claims adjustment, operate rehabilitation and training".

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, both of these amendments have resulted from very extensive work in the Senate on this particular bill. They are amendments that improve the technical workings of the bill.

The first amendment allows a company to do its data processing for its subsidiary companies, from one company to the other, without a problem. That is the type of thing we have allowed in other bills. This particular matter was not corrected and caught at the time.

The other one operates in connection with risk management. It is a redefinition of very technical matters that I think are important.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question.

**An hon. member:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motions Nos. 7A and 7B.

Is it the pleasure of the House to adopt the motions?

**Some hon. members:** Agreed.

Motions Nos. 7A and 7B agreed to.

**Hon. Robert de Cotret (for the Minister of State (Finance))** moved:

Motion No. 7D

That Bill C-28 be amended in Clause 461 of Bill C-28 be amended

(a) by striking out line 36 on page 245 and substituting the following:

"amount to an account from which a payment can be made to its shareholders, if";

(b) by striking out line 29 on page 246 and substituting the following:

"the transfer to the account from which a payment can be made to the shareholders".

Motion No. 7E

That Bill C-28 be amended in Clause 463 by striking out lines 23 to 26 on page 247 and substituting the following:

"A is 10 per cent of the aggregate unappropriated earned surplus of the participating accounts".

**Mr. Don Blenkarn (Mississauga South):** Again, both of these are technical amendments. One amendment will allow a company to transfer money from one account to another in order to make payments to shareholders and the other one removes a \$2 million cap on transfers but retains the cap calculated in accordance with their provisions of the section.

These are technical amendments that were organized in our review in the Senate. I would appreciate if they could pass without any further debate.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I want to raise my concerns about 7D. I presume it originated in the Senate. Clause 461 in the bill says: "or transfer an amount to the stated capital account". I presume, if this is an insurance company, that it may have shareholders and will have policyholders. The guys who are the policyholders ought to get their fair share of any money in the participating account.

We did not discuss that in the finance committee. I noticed the amendment in 7D changes it to an account from which a payment can be made to its shareholders. I just want to raise that issue.

Again, if the member for Mississauga South can stand up and explain this I would appreciate it. Does that mean there is a possibility that policy holders could get less money than the people who are the shareholders, especially if you have demutualized an insurance company? This is a real concern. We are setting up a capital account. The mutual companies wanted to have this legislation because they argued for the ability to be able to increase their capitalization. We said this was a good idea. Now it has turned out that it is a different kind of an account. It is an account from which moneys can be paid to shareholders. I have a real problem with that because the policy holders in a mutual company are the ones who put the money in and are the real owners. That was one of the things we were concerned about when we discussed it in committee.