

Mr. McCORD: One comment I would like to make, Mr. Chairman, concerns the criticism of so-called wide powers given to the minister. Actually, as far as the new bill is concerned, reference has been made that the minister may do this or that. I think it is all pretty well summed up in this regulations section where it says: "with the approval of the treasury board and the Governor in Council." I do not think that the minister's powers are extended under this any more than they are under the present Act.

The CHAIRMAN: Thank you, Mr. McCord. Now we have with us this morning, as I have already mentioned, a representation from the Canadian Fraternal Association headed by Mr. Hector Menard. He was with us on Friday and he is here again today. Is it the wish of the committee that Mr. Menard be heard, and that he present a brief from the Canadian Fraternal Association? The brief in question has already been distributed to the committee and it will appear in the record.

Mr. BROWNE: Does Mr. Menard want to be heard?

Mr. MENARD: I would like to say a very brief word with respect to our presentation, Mr. Chairman.

The CHAIRMAN: Then will you kindly come up to the table. Our time is running out. You say that you want to be very brief. We would appreciate it if we could hear you as quickly as possible. Mr. Menard, your brief has been distributed to the members and it will be placed in the record at this point.

THE CANADIAN FRATERNAL ASSOCIATION

To the Chairman and Members of the Standing Committee
on Industrial Relations of the House of Commons

Re: Submission Concerning Bill No. 23

to amend the Government Annuities Act

This submission is made by the officers of the Canadian Fraternal Association which is the only organization of fraternal benefit societies in Canada. It was established in 1891. Its member societies and its officers are listed at the end of this submission. More than 500,000 Canadians today enjoy life insurance protection provided by these societies.

Fraternal societies were among the first institutions to bring the benefits of life insurance and systematic savings to the people of Canada. The bulk of the mortuary certificates issued by them are on ordinary level premium plans which means that practically all of them contain some element of "savings". If Bill No. 23 is enacted into law without change it is believed that the future of fraternal insurance will be seriously jeopardized. No society can compete with the government as custodian of the peoples' savings when the government agency is subsidized by the taxpayers and offers all the cash value and other privileges that a society can offer. Many people will buy only term insurance and invest their "savings" in a government deferred annuity.

The part played by the fraternal societies in contributing to the stability of the Canadian economy is not a small one. Their assets in Canada aggregate more than \$175 million. During World War II, their revenue was invested largely in Victory Bonds and today such funds are being channelled into Canada's defense program and the essential needs of agriculture, industry and commerce. Thus the societies are not only serving the Canadian people by offering a medium for their individually small, but collectively substantial, savings but are also helping to control any unnecessary extension of credit in these trying days.