

*Private Bills*

bill, it was not passed without considerable debate and questions.

There is a simple proposition here, Mr. Chairman. You and I know that most senators are either directors of insurance companies or of banks or other financial institutions. Therefore it is almost questionable whether or not a senator should have the right to make a decision on these matters because of his involvement. However, it is interesting that all the questions were aimed at the 49 per cent ownership feature. They were not seeking to expand it but to take it out of the bill. In this we saw the fine hand of others in the insurance business who might not desire Canadian ownership of Canadian insurance companies, and hence the effort to delete this provision. But I am pleased to see that the bill as finally recommended by the Senate committee retained the provision for Canadian ownership. I would like the sponsor of the bill now before the house to indicate why he is not proposing an amendment to provide for such ownership.

I hope to have an opportunity of going before the committee that will be discussing Transcoastal because I am curious why they could not provide Canadians with 51 per cent ownership. I was very surprised to learn that the Superintendent of Insurance informed them that if they gave Canadians 51 per cent control of that company then they, with 49 per cent, would be able to vote only 10 per cent of their stock. This seems to be a very odd provision to put into the bill. I hope the hon. member who is sponsoring the bill will consider the question of the percentage of Canadian ownership.

If this company wants to do business in Canada it must be of the opinion that business in Canada is a good thing for it, that London and Midland Insurance Company will be able to do business economically in Canada, that it will be able to operate with some success as a subsidiary operation in Canada. However, the directors of this company must be poorly informed on the wishes and aspirations of the Canadian public if they are not aware of the fact that there are people in Canada who would like to see the opportunity provided for Canadians to buy into financial institutions doing business in Canada.

Union Mutual is not only going to provide an opportunity to Canadians to buy into it but it is going to make it lucrative enough for Canadians to do so. In fact, its directors have made it a condition of their charter that this will be accomplished in ten years or they will

[Mr. Peters.]

give up their right to their charter. They did not oppose penalties being included in the legislation whereby sizeable fines would be imposed upon directors and executive officers of the company if they did not accomplish the stipulated degree of Canadian control within the ten year period.

It is interesting to note that members of the other place did not pursue the matter of penalties. I was also interested to note that the Superintendent of Insurance said that that company had gone far beyond the requirements of the form bill that is provided for insurance companies being chartered in Canada and therefore there was no need to have this type of penalty in the bill. I entirely agree with the Superintendent of Insurance. I am sure that company is honest, I am sure it is straightforward, I am sure it is going to make that attempt, and I am also sure the Canadian public will buy into that company and make it possible for the directors to live up to their obligations to parliament. However, I am not the least bit sure that all other companies that would agree to such a clause would do so and would be so apt to fulfil their duty. Therefore I see no reason why the Standing Committee on Finance, Trade and Economic Affairs should not again put in the penalties for Transcoastal and other companies like it.

The London and Midland bill has been before us for some time. The company does not mind the penalty that is being paid by not having had its name changed to Avco Delta. It would like to be accomplished, but if one reads what Avco owns in other areas one finds there is not much in a name. Avco owns the Moffat Stove Company. They have not changed the name to the Avco Delta Stove Company. It owns a large number of other companies and has not changed their names. If you are interested in credit cards you will probably think of credit card companies. You will probably think of Carte Blanche, not the Avco Delta Corporation. It owns a large number of small loan companies and several life insurance companies. It is doing business with a number of companies in Canada whose names have not been changed, but it is interesting to note that when it went into farm machinery and bought the New Idea Farm Equipment Company it added the name Avco to that company. Among the many companies it owns is London and Midland General Insurance Company.

If the directors of this company want this legislation passed the answer is simple. We