

Scientific Activities

insurance, within two years it will be possible to bring in a Canadian insurance companies act which will cover the operations of all of our insurance companies and will telescope a great amount of legislation into the one act. Therefore, amendments will be much simpler and we will put our insurance industry on a much sounder legislative footing.

The amendments from the Senate, and as they were amended in the committee, will put Canadian insurance companies, and particularly the newer companies, on a much sounder footing. As the hon. member for Vancouver Quadra explained, there are tremendous front-end expenses on the writers of new businesses. The early premiums went to write off these expenses and did not provide any funds for reserve or for investment. This was something which took all members of the committee by surprise, that the bulk of new business written by the insurance industry, whether life, automobile or general insurance, in the early years did not make any profit for the companies. In other words, new business contributed to the annual losses. This has led to a rather paradoxical situation—the more business you do, the more difficult position you are in.

From an investment point of view, there was a demand for large insurance policies in this country and there was no money available to handle the business. That is why, in the main, during the past few years we have seen such a high proportion of the insurance industry, particularly general and commercial insurance and not life, handled by foreign interests. The market was there, but Canadian insurance agencies and brokers had to find money abroad in the general insurance fields.

With these amendments, it will be possible to amortize these front-end expenses over a wider period of time. Hopefully this will put the Canadian insurance industry on a much sounder financial basis.

In conclusion, I hope progress will be made in achieving a uniform Canadian insurance companies act, which should be available for parliament to consider within 18 months to two years time. I should commend these amendments to hon. members so that they can go to the Senate and the bill will be concurred in by the House of Commons.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is the conclusion of the third reading of this bill, and I want to thank all members for the difficult work they did, particularly in dealing with so many complicated amendments. This is of tremendous importance to the investment community of Canada and therefore of importance to insurance policyholders across the country. I wish also to acknowledge and agree with the sentiments expressed by hon. members opposite having to do with the failure of the committees branch to produce the report which ought really to be before us together with a reprinted bill. It ought to be in our hands as we look at a technical bill of this nature which has been changed so greatly in committee. The explanation I have from the committees branch is that they are overloaded with bills and amendments. Nevertheless, it is regrettable we cannot have the reprinted bill before us.

● (1130)

An hon. Member: Then you should not have scheduled this hearing.

Mr. Kaplan: The hon. member observes that we should not have scheduled this hearing. But I would point out that hopefully we are close to the recess and that, because of the extent to which the bill has been amended it has to go to the other place again and all this has to be done before the summer recess. So, with my thanks to hon. members for their support I hope we can move, now, to third reading.

Motion agreed to, bill read the third time and passed.

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GOVERNMENT ORGANIZATION (SCIENTIFIC ACTIVITIES) ACT 1976

CONCURRENCE IN SENATE AMENDMENTS

Hon. Allan J. MacEachen (for the Prime Minister) moved that the amendment made by the Senate to Bill C-26, respecting organization of certain scientific activities of the Government of Canada be read the second time and concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): Can someone on the government side give us a brief explanation of this amendment? It is an amendment made in the Senate and it is very simple—it increases the number on a certain body from three to four and indicates who the fourth person will be. Is this something the Senate thought up itself, or does it arise from an oversight on the part of government which has now been corrected?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this is a minor legal amendment to bring Bill C-26 in line with Bill C-53. When the legislation went to the Senate the bill read:

—three other persons, one each representing and nominated by the Canada Council, the Social Sciences and Humanities Research Council, the Association of Universities and Colleges of Canada . . .

The Senate proposes four persons and reads:

—four other persons, one each representing and nominated by the Canada Council, the Social Sciences and Humanities Council, the Association of Universities and Colleges of Canada and the National Research Council of Canada.

That has been proposed by the Senate and accepted by the government.

Mr. Knowles (Winnipeg North Centre): What the minister has told us is quite obvious from reading the bill and reading the amendment. He has not yet answered my question. Was it an oversight that it was not there in the first place or did Their Honours in the Senate think it up themselves?

Mr. MacDonald (Cardigan): I would say the Senate initiated it.

Mr. Walter Baker (Grenville-Carleton): I heard the minister mention that this was a legal amendment. I would hope the