

sustainable development of Canada's forests. In fact, the mandate emphasizes that the department will work towards ensuring that meeting the needs of the present does not compromise the needs of future generations; it ensures that the department will play a key role in preserving Canada's valuable forests. Accordingly, the new name "Department of Forests" is a more accurate reflection of the ministry's mandate than the actual designation.

In conclusion, this bill seeks to correct a minor flaw in the designation of the department. It has received the unanimous support of all parties in the House of Commons, and I am certain it will be given the same treatment in this House. Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

**The Hon. the Acting Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Hébert, bill referred to the Standing Senate Committee on Agriculture and Forestry.

• (1500)

## LEGAL AND CONSTITUTIONAL AFFAIRS

CONSIDERATION OF TWENTY-THIRD REPORT—ORDER  
WITHDRAWN

On the Order:

Consideration of the Twenty-Third Report of the Standing Senate Committee on Legal and Constitutional Affairs (review of regulations under the *Referendum Act*), presented in the Senate on 9th September, 1992.—(*Honourable Senator Frith*).

**Hon. Royce Frith (Leader of the Opposition):** Honourable senators, I am seeking advice from the Table or the Speaker. When I introduced the twenty-third report of the Standing Senate Committee on Legal and Constitutional Affairs, which deals with the regulations under the Referendum Act, I spoke at that time and I have nothing further to say about the matter. If no one else has anything further to say about it, perhaps it would be a good idea to consider it debated and remove it from the Order Paper. We can always restore it, if suddenly some great interest springs up.

Order withdrawn.

[*Translation*]

## BANKING, TRADE AND COMMERCE

TWENTY-SECOND REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the twenty-second report of the Standing Senate Committee on Banking, Trade

and Commerce (regulations regarding the conversion of mutual insurance companies in Canada), tabled in the Senate on 23 June 1992.—(*Hon. Senator Poitras*).

**Hon. Jean-Marie Poitras:** Honourable senators, before moving adoption of this report, I would like to recall, very briefly, that this is a matter of considerable importance.

It concerns allowing mutual insurance companies to "demutualize" as we said, and we conducted a study of the proposed regulations. In its report, your committee recommended the conversion of mutual companies. This involves a change in name and terms. It means that mutual insurance companies can revert to being stock companies without a break in continuity. This is very important, because we are talking about life insurance, long-term policies, and so forth. The committee's report approached the subject in this perspective.

Your committee also felt it was important to consider the two types of policy holders: participating and non-participating. There was considerable debate following the submissions we received to determine whether only one or both owned a mutual company.

In our report we recommended that prior to demutualization, there should be two votes: one by all policy holders of the mutual company which must be a majority vote, and a second vote by shareholders or participating policy holders. The agreement of both groups is required. It was felt this was a guarantee for the general public.

We also submitted that in the case of conversion, there should be very specific rules for informing the public, and it was suggested that prospectus-type information would be appropriate. In other words, there would be a list of all relevant information, as well as a recommendation by independent outside auditors.

Reorganization would be attractive to companies that might not be in excellent shape, as well as to companies that are developing rapidly and need new capital. We believe it would also make it possible for our financial companies to remain Canadian and continue to develop and prosper. That is the intent of this report, and I recommend that it be adopted.

**The Hon. the Acting Speaker:** Honourable senators, if no senator wishes to speak, this item is considered debated.

Motion agreed to and report adopted.

The Senate adjourned until Thursday, September 17, 1992, at 4 p.m.