

HOUSE OF COMMONS

Tuesday, June 28, 1977

The House met at 11 a.m.

[English]

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, I rise on a point of order, concerning our proceedings between now and one o'clock. Since a number of members will be leaving for the funeral of our late colleague I think it would be agreeable, if any votes arise during the course of debate this morning, to defer them until later in the day or to a commonly agreed on time.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

• (1110)

GOVERNMENT ORDERS

[English]

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENT TO CLARIFY DEFINITIONS

Hon. Allan J. MacEachen (for the Minister of Finance) moved that Bill S-3 to amend the Canadian and British Insurance Companies Act and the Foreign Insurance Companies Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Clarke: Mr. Speaker, I am sorry if I am out of order. Are we going to the debate now?

Mr. Speaker: The debate will be on the third reading motion which I will now put.

Mr. MacEachen (for the Minister of Finance) moved that the bill be read the third time and do pass.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, the debate on this bill on second reading was very short. Referring

to the remarks of the minister at that time, in his closing paragraph he said:

This is a bill of some technical complexity. The Superintendent of Insurance and other officials will be readily available to the committee for the purpose of considering this revision.

I also made a contribution to the debate at that time. There was a short reference from the hon. member for Winnipeg North Centre (Mr. Knowles) who simply said:

Mr. Speaker, this 60-page bill is obviously one of such a technical nature that the best place for it to be considered is in the Standing Committee on Finance, Trade and Economic Affairs. We are therefore prepared to vote for the motion to send the bill to that committee for detailed study.

The reason I mention those remarks is that the bill is indeed complex and did indeed go to the Standing Committee on Finance, Trade and Economic Affairs where it received due consideration. It would have been extremely helpful at this time to have been able to refer to the proceedings of the committee. However, the hearing in the committee took place last week on Monday, June 20, and as yet the proceedings have not been published. In any event, they have not been received by the members of the committee.

There were some amendments put there. I note that the bill will eventually have to be referred back to the other place for the adoption or in any event consideration of the amendments put by the standing committee of this House. The bill received a fairly thorough examination by the Standing Committee on Banking, Trade and Commerce of the other place. Reference to those sections that are being amended show that there was some concern about the practices that had been in place in the insurance industry.

As I pointed out in an earlier comment, accounting is an art, not a science. Being an accountant myself, I speak with some knowledge of this. Over the years accountants have been practicing their art instead of dealing with things as a science. Therefore, when statements of various insurance companies were produced, they were not always in a form which was easily comparable. It made it difficult for officials who had to deal with reports of insurance companies and the public to know exactly what was comparable.

The accounting profession is always flexible and interested in forward-looking change. The accounting profession was instrumental in putting forth the suggestions which led to the amendments on the reporting practices of insurance companies. I think we can agree wholeheartedly with a practice that will make it easier for officials and the public when considering statements. An interesting feature of the practices followed before was that the more business a new insurance company wrote, the greater the losses shown on its statements because of the regulation that insurance companies could not show big