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HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. GÉRARD LOISELLE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

BILL S-7,

An Act to incorporate Evangelistic Tabernacle Incorporated.

THURSDAY, FEBRUARY 17, 1966

TUESDAY, MARCH 8, 1966

WITNESS:

Mr. Ronald G. Belfoi, Parliamentary Agent.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

HOUSE OF COMMONS
1966
STANDING COMMITTEE
ON
STANDING COMMITTEE ON
MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. Gerard Loiselle

Vice-Chairman: Mr. Carl Legault

and Messrs.

Addison	Johnston	O'Keefe
Cadieu (<i>Meadow Lake</i>)	Lachance	Peters
Clermont	Langlois (<i>Chicoutimi</i>)	Simard
Coté (<i>Dorchester</i>)	Laverdière	Smith
Fairweather	Mandziuk	Wadds (<i>Mrs.</i>)
Forrestall	Neveu	Whelan
Hopkins	Nixon	Woolliams—(24)
Horner (<i>The Battlefords</i>),		

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

Mr. Racine replaced Mr. Hopkins on February 8, 1966.

Mr. Richard replaced Mr. Nixon on February 17, 1966.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
MONDAY, February 7, 1966.

Resolved,—That the following Members do compose the Standing Committee on Miscellaneous Private Bills:

Messrs.

Addison,	Johnston,	Nixon,
Cadieu (<i>Meadow Lake</i>),	Lachance,	O'Keefe,
Clermont,	Langlois (<i>Chicoutimi</i>),	Peters,
Côté (<i>Dorchester</i>),	Laverdière,	Simard,
Fairweather,	Legault,	Smith,
Forrestall,	Loiselle,	Wadds (<i>Mrs.</i>)
Hopkins,	Mandziuk,	Whelan,
Horner (<i>The Battlefords</i>),	Neveu,	Woolliams—(24).

TUESDAY, February 8, 1966.

Ordered,—That the name of Mr. Racine be substituted for that of Mr. Hopkins on the Standing Committee on Miscellaneous Private Bills.

TUESDAY, February 15, 1966.

Ordered,—That Bill S-7, An Act to incorporate Evangelistic Tabernacle Incorporated, be referred to the Standing Committee on Miscellaneous Private Bills.

THURSDAY, February 17, 1966.

Ordered,—That the name of Mr. Richard be substituted for that of Mr. Nixon on the Standing Committee on Miscellaneous Private Bills.

Attest.

LÉON J. RAYMOND,
The Clerk of the House.

REPORT TO THE HOUSE

WEDNESDAY, March 9, 1966.

The Standing Committee on Miscellaneous Private Bills has the honour to present its

FIRST REPORT

Your Committee has considered Bill S-7, an Act to incorporate Evangelistic Tabernacle Incorporated and has agreed to report it without amendments.

A copy of the Minutes of Proceedings and Evidence, relating to this Bill (Issue No. 1) is appended.

Respectfully submitted,
GÉRARD LOISELLE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, February 17, 1966.

(1)

The Standing Committee on Miscellaneous Private Bills met this day at 2:00 o'clock p.m., for the purpose of organization.

Members present: Messrs. Clermont, Côté (*Dorchester*), Fairweather, Johnston, Langlois (*Chicoutimi*), Legault, Loiselle, Mandziuk, Neveu, O'Keefe, Peters, Simard and Whelan (13).

The Clerk presiding and having called for nominations to elect a Chairman,

Mr. Whelan moved, seconded by Mr. Clermont, that Mr. Loiselle be elected Chairman.

On motion of Mr. Fairweather, seconded by Mr. O'Keefe, nominations were closed.

The Clerk put the question which was resolved in the affirmative. Thereupon, Mr. Loiselle occupied the Chair and thanked the Committee.

Mr. Neveu moved, seconded by Mr. Langlois (*Chicoutimi*), that Mr. O'Keefe be appointed Vice-Chairman. Mr. O'Keefe declined, and the Committee agreed that Mr. Neveu withdraw his motion.

It was moved by Mr. Peters, seconded by Mr. Fairweather,

Agreed,—That Mr. Carl Legault be elected Vice-Chairman.

The Chairman read the Orders of Reference and asked for a motion to adjourn.

At 2:10 o'clock p.m., Mr. Langlois (*Chicoutimi*) moved, seconded by Mr. Clermont, that the Committee adjourn to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

TUESDAY, March 8, 1966.

(2)

The Standing Committee on Miscellaneous Private Bills met this day at 11:25 o'clock a.m. The Chairman, Mr. Gérard Loiselle presided.

Members present: Messrs. Clermont, Fairweather, Johnston, Lachance, Laverdière, Legault, Loiselle, Neveu, Richard, O'Keefe, Simard, Smith, Whelan. (13)

In attendance: Mr. Stefenson, sponsor of the Bill and Mr. Ronald G. Belfoi, Parliamentary Agent.

The Chairman asked for a motion to print, Mr. Lachance moved, seconded by Mr. Smith,

Resolved,—That the committee print 500 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence.

The Committee proceeded to the consideration of Bill S-7, an Act to incorporate Evangelistic Tabernacle Incorporated.

The Chairman called the Preamble and asked Mr. Stefenson to introduce the Parliamentary Agent.

Mr. Belfoi explained the purpose of the Bill.

After discussion, the Preamble carried.

Clauses 1 to 18 inclusive were adopted.

The Title carried.

The Bill carried.

Mr. Fairweather moved, seconded by Mr. Lachance,

Agreed,—That the Chairman report the Bill, without amendments, as the Committee's FIRST REPORT to the House.

At 11:35 o'clock a.m., the Chairman adjourned the Committee to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

Tuesday, March 8, 1966

(2)

The Standing Committee on Miscellaneous Private Bills met this day at 11:35 o'clock a.m. The Chairman, Mr. Gérard Labeille, presided.
Members present: Messrs. Clément, Fairweather, Johnston, Lachance, Laverdière, Labeille, Neveu, Richard, O'Keefe, Simard, Smith, Whelan. (13)

EVIDENCE

(Recorded and transcribed by Electronic Apparatus)

TUESDAY, March 8, 1966.

● (11: 30 a.m.)

The CHAIRMAN (Mr. Loiselle): We have in front of us a Bill S-7, An Act to Incorporate Evangelistic Tabernacle Incorporated.

Before that, I would like to ask the Committee for a motion to print the evidence, the numbers of 500 which were printed and we did not send. We had a motion for 500 copies in English and 250 in French last time.

Mr. FAIRWEATHER: You don't print this evidence unless we need it.

The CHAIRMAN: There are members who have asked for copies of this evidence, I understand. We may as well pass this motion, I am sure that we will be asked sooner or later. We should be prepared. Moved by Mr. Lachance, seconded by Mr. Smith, that this Committee print 500 copies in English and 250 copies in French of its minutes on proceedings and evidence. Carried? Carried.

This morning we have in front of us Bill S-7, An Act to incorporate Evangelistic Tabernacle Incorporated. I would like Mr. Stefanson, who is the sponsor of the Bill, to present to the Committee, the Parliamentary agent, Mr. Belfoi. Perhaps you would like to say a few words on that.

Mr. STEFANSON: Mr. Chairman and members of the Committee, most of you will be aware that this Bill was on the Order Paper last summer and has received second reading on June 28th but it didn't have time to go before the Committee, and when Parliament was dissolved it died on the Order Paper. So it was recommitted at this session and today there are none of the people present who are the people involved in this particular Bill, because they are very short of funds, and I felt that the Parliamentary agent here would be able to answer the questions that would be asked at this particular meeting, and therefore, I am very pleased to see Mr. Belfoi of Herridge, Tolmie, and Co. here this morning, and he is prepared to answer our questions. Thank you.

The CHAIRMAN: Do you, Mr. Belfoi, have something to say on the general purpose of the Bill, in order to have a question on the Bill, on the preamble.

Mr. BELFOI: The general purpose is that a group or a religious organization, which is unincorporated at the present time, is thinking to get together and having an incorporated body to carry on religious organizations and to get affiliations, and to get other provinces to associate with it. I can go farther, but perhaps I would be preempting some of your questions at this time.

Mr. SMITH: Is the Bill in a general form, like the similar bills before this Committee in other years?

Mr. BELFOI: There is nothing exceptional and the form has been used previously.

Mr. SMITH: Is there only one congregation of this organization?

Mr. BELFOI: The present incorporate corps are a Winnipeg congregation of about 120. There are four other groups, one in Saskatoon, one in Vancouver, one in Okanagan Valley and one in Kenora Ontario.

Mr. SMITH: Do the other groups have such an incorporation?

Mr. BELFOI: No, the other groups do not, but they will all form part of this incorporation, after it is incorporated, of course.

Mr. SMITH: Do you own any land or anything immovable?

Mr. BELFOI: The Winnipeg Company does not own any land, they rent their premises. The Saskatoon group does own land, actually the building in which it is carrying on their services.

Mr. LACHANCE: Have they been in existence for long?

Mr. BELFOI: Since 1956. I am referring to the Winnipeg group here—the other groups are relatively new and small.

The CHAIRMAN: That being your group?

Mr. BELFOI: The Winnipeg group being my group, yes.

Mr. LACHANCE: Have the petitioners of this Bill been members since the existence of this group in Winnipeg?

Mr. BELFOI: The Reverend Bradley, who is the chief petitioner, as you will appreciate in No. 1 of the Bill came to Canada in 1956 and has been the moving force behind this and they have all been, to the best of my knowledge, associated with the sect since that time.

Mr. LACHANCE: How many are there in this group in Winnipeg?

Mr. BELFOI: One hundred and thirty.

Mr. RICHARD: Mr. Bellfoi, I wonder if you could instruct us as to the reason why all these bills come before this Committee. Is there no provision within the Committee's Act or provincial Act to do the same...

Mr. BELFOI: There is provision in the Provincial Act, but there is no provision which could give religious powers under the Secretary of State, and the Canadian Corporation's Act. The main purpose is, as you will appreciate Mr. Richard, is the necessity as a limited company and the limited liabilities. The ability to hold land, without having, this is throughout the country, as opposed to having a Provincial Charter and having to get extra Provincial licenses to carry on a term of business, or a license to hold land, which is expensive and would be ten times the expense for a group of this sort.

Mr. RICHARD: That is probably something that should be considered in amending the Company's Act later. The other point that strikes me always in these bills is the name. You know, under the Dominion Company's Act, there is usually quite a search made as to whether the name would conflict with any other organization. In a case where we grant a name like this in a Bill we are granting exclusive use of the Evangelistic Tabernacle to a group which is, maybe recent and small, and I was wondering there is nothing in this case. No search made, no—

Mr. BELFOI: Not to my knowledge, Mr. Richard.

Mr. RICHARD: To ascertain if other groups, I know the word Tabernacle is used greatly in many Evangelistic groups, or religious groups. I should not say Evangelistic, that is not right, you don't know personally if it does conflict with other groups who are using that name as a body just now?

Mr. BELFOI: Are you talking about an incorporated body or otherwise? Not to my knowledge, but I would assume that the Secretary of State had cleared the name perhaps with the Chief of Committees, but I am speaking beyond my depth at this point.

The CHAIRMAN: Are there any other questions on the preamble, gentlemen?

Mr. WHELAN: Can anyone make application to join this organization?

Mr. BELFOI: I would think that it would be, whether they were members of the faith or not.

The CHAIRMAN: Shall the preamble carry? Carried. Shall Clause 1 carry? Carried. Shall Clause 2 carry? Carried. Shall Clause 3 carry? Shall Clause 4 carry?

Mr. FAIRWEATHER: I am interested in the language, the English language at the moment. Why do we say houses of worship instead of churches?

Mr. BELFOI: This is a phraseology I would think rather than a draftsman's choice.

Mr. JOHNSTON: There are some who feel that the Church is the congregation of the people not the actual structure and there may be some objection in incorporating themselves under some terms that they would not approve of. I believe it is a bit broader too.

The CHAIRMAN: Does Clause 4 carry? Carried. Clause 5 carry? Carried. Clause 6 carried? Carried. Shall Clause 7 carry? Carried. Shall Clause 8 carry? Carried. Shall Clause 9 carry? Carried. Shall Clause 10 carry? Carried. Shall Clause 11 carry? Carried. Shall Clause 12 carry? Carried. Shall Clause 13 carry? Carried. Shall Clause 14 carry? Carried. Shall Clause 15 carry? Carried. Shall Clause 16 carry? Carried. Shall Clause 17 carry? Carried. Shall Clause 18 carry? Carried. Shall the title carry? Carried. Shall the Bill carry? Carried.

Mr. FAIRWEATHER: I move that the Bill be added to the Committee's first report.

The CHAIRMAN: Proposed by Mr. Fairweather, seconded by Mr. Lachance that the Bill should be reported as a first report.

Gentlemen, the Committee is adjourned to the call of the Chair.

Mr. BARTON: Are you talking about an incorporated body or otherwise? Not to my knowledge, but I would assume that the Secretary of State had cleared the name perhaps with the Chief of Committee, but I am speaking beyond my depth at this point.

Mr. WHELAN: Are there any other questions on the preamble, gentlemen?

Mr. BARTON: I would think that it would be whether they were members of the faith or not.

The CHAIRMAN: Shall the preamble carry? Carried. Shall Clause 1 carry? Carried. Shall Clause 2 carry? Carried. Shall Clause 3 carry? Shall Clause 4

carry? Carried. Shall Clause 5 carry? Carried. Shall Clause 6 carry? Carried. Shall Clause 7 carry? Carried. Shall Clause 8 carry? Carried. Shall Clause 9 carry? Carried. Shall Clause 10 carry? Carried. Shall Clause 11 carry? Carried. Shall Clause 12 carry? Carried. Shall Clause 13 carry? Carried. Shall Clause 14 carry? Carried. Shall Clause 15 carry? Carried. Shall Clause 16 carry? Carried. Shall Clause 17 carry? Carried. Shall Clause 18 carry? Carried. Shall the title carry? Carried.

Mr. FAIRWEATHER: I move that the Bill be added to the Committee's list of bills for consideration.

Mr. WHELAN: This is a phraseology I would think rather than a gentleman's choice.

Mr. JONAS: There are some who feel that the Church is the congregation of the people not the actual structure and there may be some objection in incorporating themselves under some terms that they would not approve of. I believe it is a bit broader too.

The CHAIRMAN: Does Clause 4 carry? Carried. Clause 5 carry? Carried. Clause 6 carry? Carried. Shall Clause 7 carry? Carried. Shall Clause 8 carry? Carried. Shall Clause 9 carry? Carried. Shall Clause 10 carry? Carried. Shall Clause 11 carry? Carried. Shall Clause 12 carry? Carried. Shall Clause 13 carry? Carried. Shall Clause 14 carry? Carried. Shall Clause 15 carry? Carried. Shall Clause 16 carry? Carried. Shall Clause 17 carry? Carried. Shall Clause 18 carry? Carried.

Mr. FAIRWEATHER: I move that the Bill be added to the Committee's list of bills for consideration.

The CHAIRMAN: Proposed by Mr. Fairweather; seconded by Mr. Latham; that the Bill should be reported as a first report.

Gentlemen, the Committee is adjourned to the call of the Chairman.

Adjourned.

Adjourned.

Adjourned.

Adjourned.

Adjourned.

Adjourned.

Adjourned.

Adjourned.

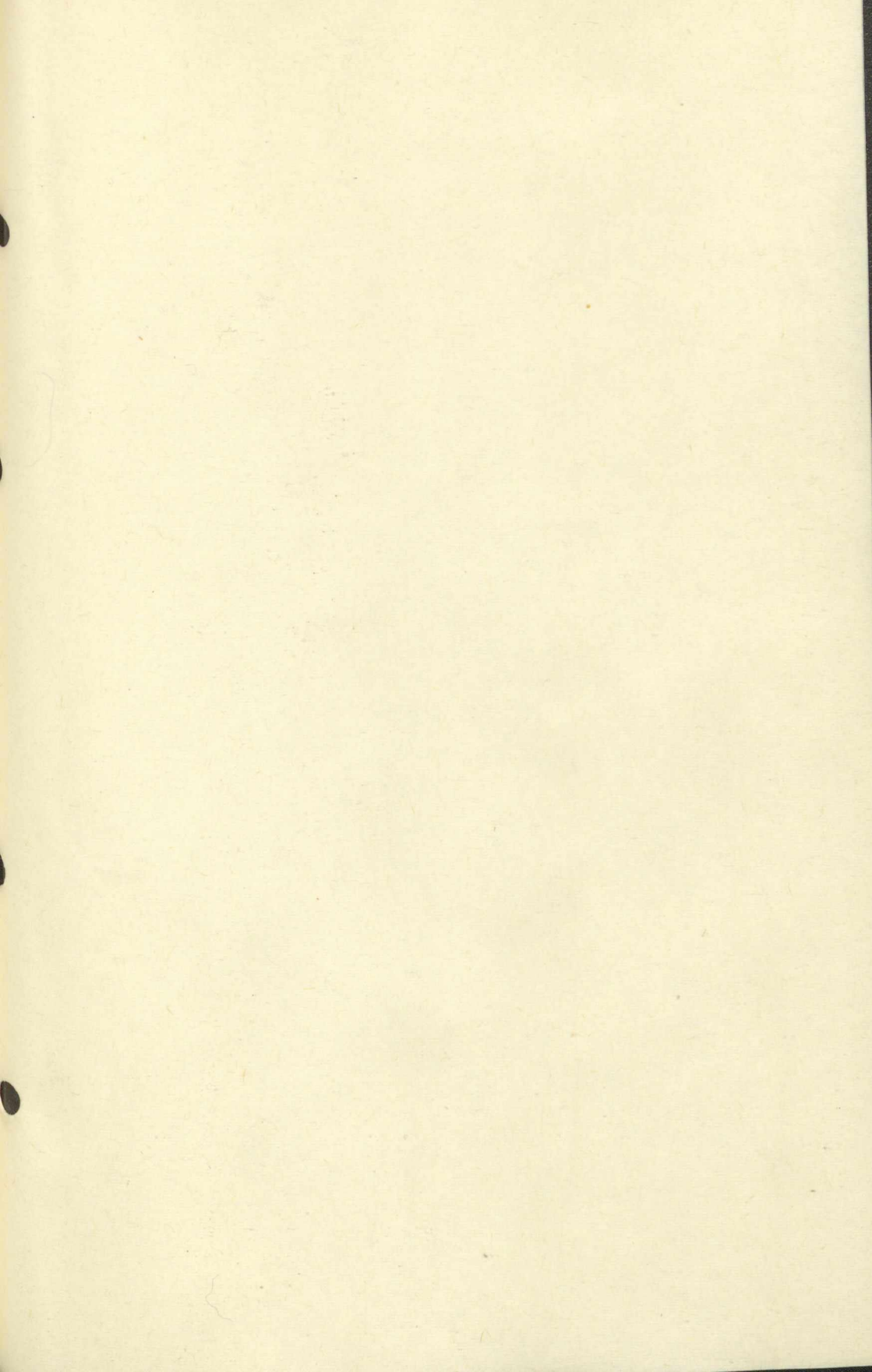
Adjourned.

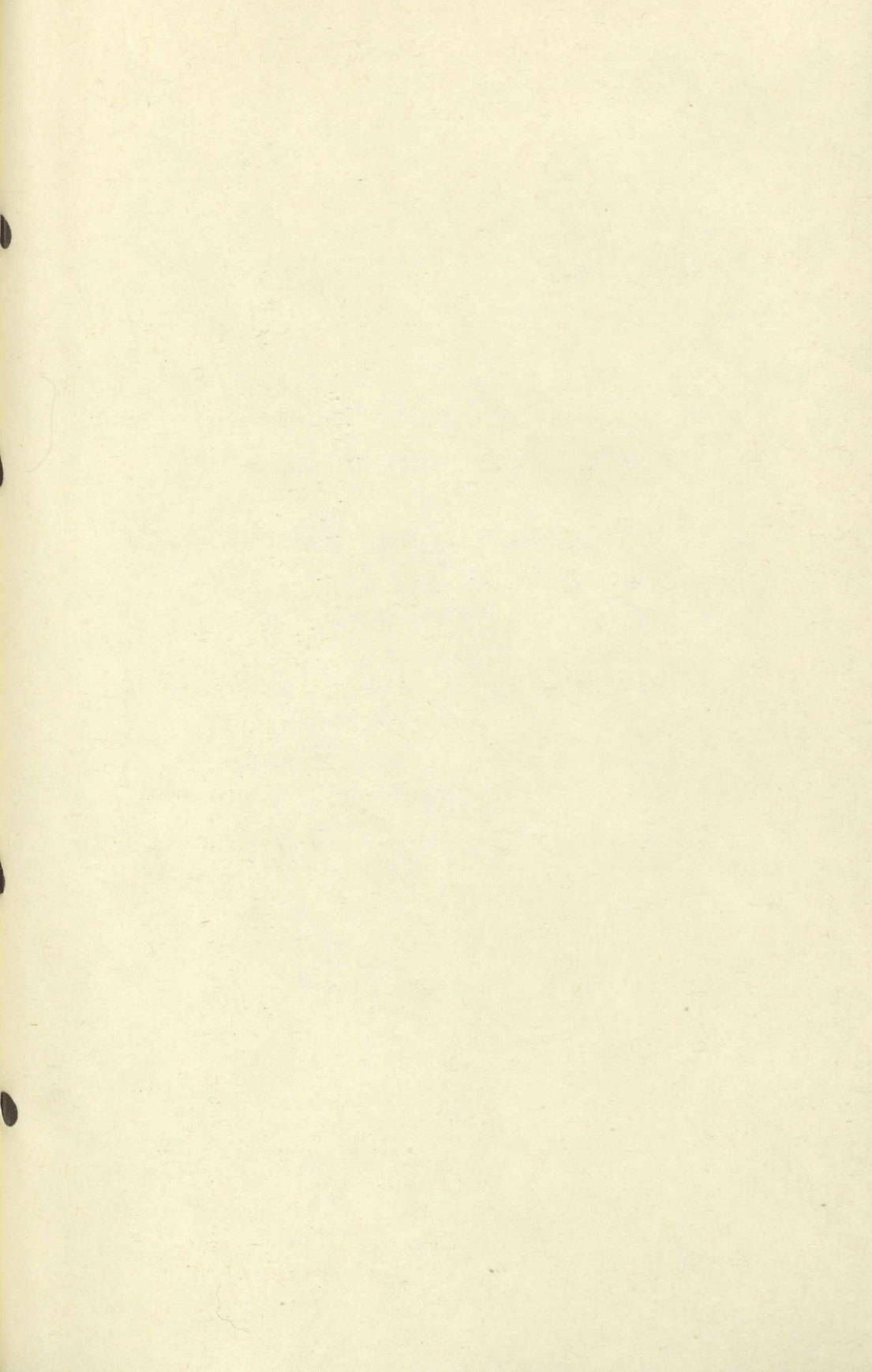
Adjourned.

Adjourned.

Adjourned.

Adjourned.





OFFICIAL REPORT OF MINUTES
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LIONEL J. RAYMOND,
The Clerk of the House

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The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. GÉRARD LOISELLE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, JULY 7, 1966

Respecting

- Bill S-33*, An Act respecting United Baptist Woman's Missionary Union of the Maritime Provinces.
- Bill S-18*, An Act to incorporate Canadian Board of Missions of the Church of God (General Offices; Anderson, Indiana).
- Bill S-29*, An Act to incorporate the International Society of Endocrinology.
- Bill S-37*, An Act to incorporate Mennonite Central Committee (Canada).
- Bill S-39*, An Act to incorporate Lutheran Church in America—Canada Section.

WITNESSES:

- On Bill S-33*, Mr. J. C. Hanson, Q.C., Parliamentary Agent.
- On Bill S-18*, Mr. A. K. MacLaren, Parliamentary Agent.
- On Bill S-29*, Mr. Peter Laing, Q.C., Parliamentary Agent, and Dr. John Beck, Secretary General of the International Society of Endocrinology.
- On Bill S-37*, Mr. G. J. Gorman, Parliamentary Agent.
- On Bill S-39*, Mr. J. Richard, Parliamentary Agent.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON
MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. Gerard Loiselle

Vice-Chairman: Mr. Carl Legault

and Messrs.

Addison,	Lachance,	Peters,
Cadiou (<i>Meadow Lake</i>),	Langlois (<i>Chicoutimi</i>),	Racine,
Clermont,	Laverdière,	Richard,
Côté (<i>Dorchester</i>),	Legault,	Simard,
Fairweather,	Loiselle,	Smith,
Forrestall,	Mandziuk,	Wadds (<i>Mrs.</i>),
Horner (<i>The Battlefords</i>),	Neveu,	Whelan,
Johnston,	O'Keefe,	Woolliams—(24).

(Quorum 13)

Maxime Guitard,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

ORDER OF REFERENCE

TUESDAY, July 5, 1966.

Ordered,—That the following Bills be referred to the Standing Committee on Miscellaneous Private Bills:

Bill S-33, An Act respecting United Baptist Woman's Missionary Union of the Maritime Provinces.

Bill S-18, An Act to incorporate Canadian Board of Missions of the Church of God (General Offices; Anderson, Indiana).

Bill S-29, An Act to incorporate the International Society of Endocrinology.

Bill S-37, An Act to incorporate Mennonite Central Committee (Canada).

Bill S-39, An Act to incorporate Luthern Church in America—Canada section.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

the Title and the Bill were severally carried, and the Chairman was instructed to report this Bill without amendment.

The Committee agreed to Mr. Peter's statement that it should be clearly understood that a precedent is not to be created even if Bill S-18 is passed by this Committee without having the Parliamentary Agent, Mr. MacLaren, being able to produce the regular certificate required in such circumstances.

On the Preamble of Bill S-29: The Chairman, Mr. Loiselle, M.P. invited Mr. Harley, M.P., Sponsor of this Bill, to introduce the Parliamentary Agent, Mr. Peter Laing, Q.C. and Dr. John Beck, a witness in attendance. Clauses 1 to 11, both inclusive; the Schedule, the Preamble, the Title and the Bill were severally carried. Again, the Chairman was instructed to report Bill S-29 without amendment.

On the Preamble of Bill S-37: Mr. Enns, M.P. Sponsor of the Bill, was invited by the Chairman to introduce Mr. G. J. Gorman, Parliamentary Agent. Clauses 1 to 19, both inclusive, the Preamble, the Title and the Bill were severally carried. The Chairman was instructed by the Committee to report this Bill without amendment.

On the Preamble of Bill S-39: The Chairman invited Mr. Winkler, M.P. Sponsor of the Bill, to introduce the Parliamentary Agent, Mr. J. Richard. Then, Clauses 1 to 17, both inclusive, the Preamble, the Title and the Bill were severely carried. Again, the Chairman was instructed by the Committee to report Bill S-39 without amendment.

At 1.00 o'clock p.m. the Committee adjourned to the call of the Chair.

Maxime Guitard,
Clerk of the Committee.

EVIDENCE

(Recorded By Electronic Apparatus)

THURSDAY, July 7, 1966.

The CHAIRMAN: Gentlemen, now that we have a quorum I think we should start at once. I want to thank everyone for being so patient in waiting for a quorum.

We have for consideration today five bills. They are S-33, S-18, S-29, S-37 and S-39. They are in the same order as referred to us from the House of Commons.

I will now call Bill S-33 and the preamble, and I will ask the sponsor, Mr. Coates, to introduce the parliamentary agent.

On the preamble.

Mr. R. C. COATES (*Sponsor*): There is nothing very complicated about this bill. It is just a matter of changing the word "Maritime" to "Atlantic".

An hon. MEMBER: Do I understand, Mr. Chairman, that now it is going to be known under the name "Maritime provinces" instead of "Atlantic provinces"?

Some hon. MEMBERS: Vice versa.

The CHAIRMAN: Shall clauses 1, 2 and 3 carry?

Some hon. MEMBERS: Agreed.

Clauses 1 to 3, inclusive, agreed to.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: I will now call Bill S-18, and I would ask the agent, Mr. MacLaren, to explain the purpose of the bill.

On the preamble.

Mr. A. K. MACLAREN (*Parliamentary Agent*): Mr. Chairman and members, Bill S-18 is an Act to incorporate Canadian Board of Missions of the Church of God, General Offices, Anderson, Indiana.

The Church of God is a denomination which started in Alberta, and they have been in Saskatchewan since 1908. Its parent church is in the United States, and the head office is in Anderson, Indiana. The church has been in existence since about 1880.

The purpose of this bill is to give the Board of Missions, which is the administrative board under the denomination, authority to operate through Canada.

Up to the present time, the Board of Missions has been incorporated provincially in Alberta and Saskatchewan. There are congregations now in British Columbia and Manitoba. They also have overseas missions.

The applicants feel that it would be more efficient and of considerable benefit to the church if they had federal incorporation. That is basically the reason why they wish federal incorporation.

I do not know whether you want me to discuss the bill clause by clause. It is in the standard form of most of these bills incorporating religious bodies, and the powers that we ask are fairly standard.

I wonder, Mr. Chairman, if I could now answer questions?

The CHAIRMAN: Yes. Does anyone have a question?

Mr. RICHARD: Mr. MacLaren, on the title "Church of God", has this been in use for some time? I think there might be some objection from other religious organizations to having one group entitled exclusively to be called the Church of God.

Mr. MACLAREN: Mr. Richard, this matter came up in the Senate. I said that the current body of this church was incorporated in the mid-west United States in about 1880 and at that time the intention was to try to bring together all the various denominations of the Christian Church. This was the original purpose.

What happened was that the Church of God developed as a denomination of its own. It has been known as the Church of God in the United States and in Canada for a long time. The denomination has been in existence, using the name Church of God, in Canada since just after the turn of the century, and, in fact, it has been incorporated in Alberta and Saskatchewan under their Societies Acts, using this name.

Mr. RICHARD: Under what name?

Mr. MACLAREN: The Church of God; and then also the Board of Missions of the Church of God.

When the bill was before the Senate objection was taken to the use of this name, and we adjourned the hearing for Committee and we were asked to come up with a recommendation for a change.

It was felt at that time that they could not eliminate the words "Church of God" from the name of the Board of Missions, because you have to relate the Board of Missions to the denomination to which it applies. Short of changing the name of the congregation, they felt it was absolutely necessary to retain the words "Church of God", and for that reason the words in brackets at the end, "General Offices, Anderson, Indiana," were added. It was felt that by doing this we were indicating by the words "Church of God" that we were related to a denomination which was founded in the midwest.

Mr. RICHARD: You would not be suggesting that once this incorporation is granted, you would be in a position to say to other groups that they could not use the name "Church of God"? So far as I know, every denomination which

exists believes, and rightly so, that they are truly the Church of God. I will not insist, but—

Mr. MACQUARRIE: I do not think it would stand up in court.

Mr. MACLAREN: Mr. Richard, if time had allowed us to have had one of the sponsors here, I think they would have explained that they have always been very careful not to use their name. There are only 4,000 members of this church in Canada and it has been in existence for 50 or 60 years. I think that in itself is an indication that they have not abused the use of the name.

They also have a radio program which has been on the air, The Christian Brotherhood Hour, for many many years, and again they are quite careful that they do not abuse the name. They are very conscious of this, and they always have been.

Mr. RICHARD: I raised this point only so that it would be on the record.

Mr. MANDZIUK: Mr. Chairman, since reference has been made to the third body in the United States, will it have anything to say about, or have any control over, the Dominion incorporation at all?

Mr. MACLAREN: No; this is a separate incorporation in Canada. It has the same relationship that many denominations in Canada have with churches which originated in other parts of the world.

The Canadian church has its own foreign missions. It operates separately, but in co-operation with its parent church in the United States.

Mr. MANDZIUK: Has it any foreign missions at this time?

Mr. MACLAREN: Yes.

Mr. MANDZIUK: Where?

Mr. MACLAREN: I believe, in Africa.

Mr. MANDZIUK: How many parishes do you have in Canada?

Mr. MACLAREN: I cannot answer that, but the answer is undoubtedly here. It would appear from this book, put out by the current body in the United States for 1966, that there are approximately 66 churches in Canada; that is, separate congregations.

Mr. MANDZIUK: This is by way of a general question, Mr. Chairman. I have a question on section 8, but I suppose I will have to wait until we come to that section.

The CHAIRMAN: No, Mr. Mandziuk, you are allowed to ask any questions you wish.

Mr. MANDZIUK: You talk about acquiring, holding and purchasing property. What properties have you in mind? What properties have you already, and where do you get your funds?

Mr. MACLAREN: The first part of your question I can only answer in a general way. My understanding is that in most cases, like other churches, they own the property on which the church buildings are located. The Board of Missions, which we are seeking to incorporate today, is intended to help congregations form.

People can leave property to the Board of Missions. The board itself may run schools for missionaries, and they would own that kind of property. Like any charitable or religious institution, they want the power to acquire property and deal with it, and paragraph 8 is a standard clause in that respect.

Mr. MANDZIUK: I realize it is a standard clause, but what I am asking is: Does each congregation lose any right, or title, or interest, in the property once it comes under your corporation. If they leave the church, does the church property remain with the corporation?

Mr. MACLAREN: I do not know that I can answer that question directly. It is my understanding that each church owns its own property. Each congregation will have its own temporal committee, or a committee that looks after the property in which the individual church is built, and that property would not necessarily come under property that might be held by the Board of Missions.

In the bill the Board of Missions is authorized to lend money to congregations to help them get started and take back securities, so that they might hold mortgages on individual church property.

Mr. MANDZIUK: Thank you very much.

The CHAIRMAN: Are you through, Mr. Mandziuk. Mrs. Wadds, you are next.

Mrs. WADDS: Having operated all these years, you now want to be incorporated now, and part of the reason is to deal with the loaning of money. Is this right?

Mr. MACLAREN: No; the Board of Missions of the Church of God in Canada has been incorporated provincially in Alberta and Saskatchewan under the provincial societies acts. The church is growing—and mind you it is not growing very rapidly, but it is expanding—and they now have congregations in British Columbia, Manitoba, and I believe they have one or two forming in eastern Canada. If you do not have federal incorporation, you have to incorporate under the societies acts, or the equivalent, in each province, and in some cases this means, for instance, in Saskatchewan, that they must hold an annual meeting with all their officers inside the province every year. If you were incorporated separately in each province, it could lead to certain administrative problems, to say nothing of inconvenience.

Mrs. WADDS: If federally incorporated you no longer have to have provincial incorporation?

Mr. MACLAREN: This is my understanding. With federal incorporation they intend to wind up the provincial incorporations.

Mr. LACHANCE: How is it known in the United States? Is it known under the name of "Board of Missions of the Church of God"?

Mr. MACLAREN: In the United States there is the denomination "Church of God", in the same way as there are Roman Catholic, Presbyterian and Anglican.

They have many incorporated administrative bodies in the United States which operate under the jurisdiction of, or in co-operation with, the church. I have a list with me of agencies, or boards, that have been incorporated in the United States, such as the Executive Council of the Church of God, Missionary Board Church of God, Board of Church Extension and Home Missions Church of

God. There must be a dozen of these related bodies incorporated in the United States, which are associated with the Church.

Mr. LACHANCE: Then this congregation in Canada would be one of the Churches of God?

Mr. MACLAREN: Yes.

Mr. LACHANCE: One section or one—

Mr. MACLAREN: In the sense that it is affiliated with the parent church in the United States, yes; but it has its own board of management like any denomination in Canada. This Mission Board that the bill today is incorporating, is to run home and foreign missions. The Canadian church has its own foreign missions which they run on the money raised in Canada, separate from any foreign missions which might be established by the American church.

Mr. LACHANCE: Could you tell the Committee what would happen if they moved the general offices in the United States from Anderson, Indiana, to somewhere else?

Mr. MACLAREN: We would then have to apply for a change of name. The addition of those words was to clarify any doubts about the use of the words "Church of God".

The head office has been in Anderson, Indiana, since 1880.

Mr. LACHANCE: Instead of putting General Offices, Anderson, Indiana it would have been better to put after the word "Missions", "one of the churches of God." This would have been easier.

Mr. MACLAREN: This would not by itself have overcome the objection to the use of the words "Church of God" as the name of a denomination.

Mr. LACHANCE: I understand that the adding of the words "General Offices, Anderson, Indiana", was done at the request of the Senate?

Mr. MACLAREN: That is right.

Mr. LACHANCE: Did anyone raise the point that, instead of adding "General Offices, Anderson, Indiana" after the word "Missions" you could insert a comma, and then "One of the Churches of God"?

Mr. MACLAREN: This would have been misleading, because undoubtedly every church has a right to say that it is a church of God. This is one of the original objections that was taken.

The difficulty is that this denomination has called itself the Church of God for many, many years, and the whole intention of the change was to limit the scope of those words. The general feeling was that by adding the words "Anderson, Indiana" we could do that.

Mr. O'KEEFE: Mr. Chairman, my questions are along the same lines. This title, "Church of God" rather disturbs me. It suggests, of course, that your church is the only Church of God, does it not?

Mr. MACLAREN: This is certainly the objection that has been taken.

Mr. O'KEEFE: Is the primary purpose of this bill legally to confirm that title?

Mr. MACLAREN: I would say that this bill does not, one way or the other, give approval, or disapproval, to the denomination "Church of God". It has been a denomination for many, many years, and it is not the denomination "Church of God" which is being incorporated.

The church, as a religious body, has been in existence in the United States since 1880 and in Canada since just after the turn of the century.

Mr. O'KEEFE: In parts of Canada?

Mr. MACLAREN: That is right. They have used the name the "Church of God." The bill today—

Mr. O'KEEFE: Anyone can use "Church of God", but you are asking us to confirm that title legally. That is the question I am asking.

Mr. MACLAREN: It is a very difficult question to answer. I would not like to say "yes," that you are confirming it legally, because the name of the denomination is not being incorporated. We are not incorporating the Church of England, the Roman Catholic Church, the Presbyterian Church or the Church of God. We are incorporating a Board of Missions operating under the denomination, the Church of God.

It seems to me that if the Board of Missions is going to operate properly the name must include the name of the denomination under which it works. You could not simply have an act to incorporate the Canadian Board of Missions without referring to the church under which it works.

Mr. O'KEEFE: Surely you will agree with me that the "Church of God" is a pretty broad title.

Mr. MACLAREN: It is.

Mr. O'KEEFE: This bill also asks for authority to operate missions throughout Canada, and I suggest, therefore, that is an attempt to proselytize people of other religions to move to yours.

Mr. MACLAREN: The only real answer I can give to that is that the church has been in Canada since 1906, or 1908, and it has under 4,000 adherents. Whether there is a possibility of this happening, the fact is that it has not.

Mr. O'KEEFE: Surely it is your intention to try?

Mr. MACLAREN: I do not think this can be assumed from the fact that we are here asking for incorporation.

Mr. O'KEEFE: I am not saying this critically. It is the job of every mission to proselytize. I am not using this word "proselytize" in a derogatory sense.

I know that in a small village in my own province, if a missionary were to come in and say that he represented the "Church of God", this would have a pretty effective influence on innocent people. I do not think the "Church of God" is a title that should be used by one particular denomination to the exclusion of all others.

Mr. MACLAREN: I can only say, Mr. O'Keefe, that there are many other examples of churches which, perhaps, take unto themselves a title which could be misleading.

The sponsors of this bill appreciated the difficulty, but, as I say, they have been in existence since just after the turn of the century.

Mr. O'KEEFE: Knowing of it, could they not do anything about this difficulty?

Mr. MACLAREN: The American church has about 180,000 adherents. This church works with the American church, and they would first of all have to change the name so that it would no longer be the same as the name of the parent church. You also have congregations in Canada which have been operating under this name for many, many years. To change the name of the Board of Missions to eliminate "Church of God", you would have to ask the whole denomination to change the name under which it has operated for 50 or 60 years. That is why the qualifying words were added.

Let us take, for example, the words "Roman Catholic": the word "catholic" is a generic word meaning universal Christian church. There is no confusion or question about the church that is meant when the words "Roman Catholic" are used. The addition of the words "General Offices, Anderson, Indiana",—Anderson, Indiana, certainly is not as well known as Rome—serves the same purpose, or, at least, it is intended to.

This is the only way we thought we could meet the objection and not be forced to change the name of the church and, therefore, force the denomination to assume a name different from that of its parent church. I do not think you are approving or disapproving the name of the denomination.

Mr. O'KEEFE: I will not pursue this any further, Mr. Chairman.

Mr. FORRESTALL: I wonder if I could change the direction of the last few minutes and ask the witness three or four brief questions.

First, when is it the intention of the board to proceed with, or request of your several congregations, the surrender of their provincial charters, or is it the intention?

Mr. MACLAREN: I understand that in the long run this is the intention, and that once the incorporation is granted federally it will no longer be necessary to have separate provincial incorporations.

I do not think any date has been set. I do not think this matter has been taken any further to this date.

Mr. FORRESTALL: Following along another step, you mentioned some time ago that there are 66 congregations separately in Canada and that, to the best of your knowledge, they now own and enjoy their own properties, and the rights to those properties.

Is it the intention of the board, once incorporated, in any way to alter that financial structure? That is to say, by perhaps acquiring the title and right to these several congregations' properties for purposes of collateral for loans that might be used for any one of a number of purposes?

Mr. MACLAREN: I do not know that I could answer that question. I can only say that you now have in Alberta and Saskatchewan the board incorporated, and you also have in Alberta and Saskatchewan separate congregations operating, and they own their own property, like any other congregation, and each one has its own board of management.

Mr. FORRESTALL: But you cannot advise the Committee whether or not it is contemplated to change that?

Mr. MACLAREN: Certainly this was not one of the reasons that I was given for the purpose of incorporation.

Mr. FORRESTALL: I realize it has no direct bearing on this, but I am just wondering if this is not a first step to something else which might possibly be other than generally satisfactory to all members of the 66 congregations. I would suggest they are probably fairly well divided, that their interests are regional and local and centre around their own congregations and not around a national affiliation.

Mr. MACLAREN: The officers—

Mr. FORRESTALL: If you do not have a yes or no answer, I would rather not discuss it.

Mr. MACLAREN: I just had one point. The applicants for incorporation, for the most part, are ministers of the congregations in Alberta, and one or two of them in Saskatchewan.

Mr. FORRESTALL: I noticed that in reading through the bill.

Could I ask you: Where do the moneys for your missionary work come from?

Mr. MACLAREN: They raise money from adherents.

Mr. FORRESTALL: I assume there is a Board of Missions. If Canada now has a foreign mission, there must be a board acting under some authority.

Mr. MACLAREN: That is the provincial incorporation.

Mr. FORRESTALL: Would you be able to advise us approximately how much Canadian money might flow into the work of this mission?

Mr. MACLAREN: No, I am afraid I could not answer that.

Mr. PETERS: The incorporation is being asked for by a parliamentary agent. Are you duly certified as a parliamentary agent?

Mr. MACLAREN: Yes, I am.

Mr. PETERS: Do we ascertain that in each case. I have been curious about this for some time.

In this case, is the application being made by the Canadian section, or is it being made by the general offices in Anderson, Indiana. The adding of this clarification to the title gives the impression that the general offices in Anderson, Indiana, are actually asking for the certification, rather than the persons named in the incorporation. Is this correct?

Mr. MACLAREN: No. It is strictly the Canadian members of the church and members of the executive body of the church and of the provincially incorporated Board of Missions who are the applicants. The additional words—

Mr. PETERS: I can see why they were added, but I was just wondering about the incorporation.

Mr. MACLAREN: The Canadian church operates separately. It has its own budget, its own missionary work, and opens up its own congregations.

Mr. PETERS: Incidentally, I think it should be pointed out that the word "the" in front of "Church of God" is in small letters and therefore, is not part of the name of the church.

The application has come to you for incorporation, and I presume this is a general form of an act. From who do you have a resolution asking for this incorporation?

Mr. MACLAREN: I believe I have a copy of this on file. The original, of course—

Mr. PETERS: I do not want to see it, but it is by resolution of what?

Mr. MACLAREN: A group of individuals. I do not have a copy of it here. This group is made up of officers of the Church of God in western Canada, or of the provincially incorporated Boards of Mission, most of whom are ministers of congregations.

Mr. PETERS: It is really not a resolution of a conference, or of a general meeting which decided this. It was decided on strictly in a business way, by delegation rather than by resolution of the people concerned?

This refers to the question asked by one of the other members in relation to whether the congregations themselves have any say in the application which, in its broadest sense, can take away a certain amount of authority from the individual church.

Mr. MACLAREN: The applicants are elected officers of the church.

Mr. PETERS: I realize this, but for a company you would have to have a general membership meeting, or a meeting of shareholders, and from that meeting would come the resolution for incorporation. In this case we do not have that. We have a request by a number of officials. Is there significance in this?

Mr. MACLAREN: The application could have been made by the Alberta and the Saskatchewan societies, which are incorporated in those provinces.

Mr. PETERS: It could not have been made as Canadian units by these two groups, provided there were other groups in other provinces?

The point I am getting at is that if you applied for a provincial charter you would obviously have to have the consent of all those in the provincial field to your making the application. On a national basis, when you are applying for a federal charter, it would eliminate some problems if we had an indication that all the representatives of all the provincial sections were agreeable to waiving their provincial charters.

Mr. MACLAREN: To begin with, we have the leaders of the church itself—the denomination, Church of God—who are among the applicants.

Partially to answer your question, we have, of course, advertised in the *Canada Gazette* and no objection has been taken by anyone to the incorporation. Following your question to its conclusion, I do not see how you could conceivably ensure, in any incorporation of this sort, that there would not be someone, somewhere, who might object to federal incorporation. The purpose of the federal incorporation is to make it easier for Board of Missions, working under the authority of the denomination, to carry on their work throughout the

country and overseas; and officers of the provincial boards and officers of the church are applicants for incorporation.

I could not say—and I do not imagine anyone could—that there is not some adherent to the church in Canada somewhere, or even in a congregation somewhere, who might have wished to object, or to restrict the incorporation to the prairie provinces.

Mr. PETERS: I am not suggesting that, but I am of the opinion that it would do much for the guidance of the Committee if, before these incorporations are sought, a more uniform attempt were made to have the lay people of the organization indicate to us to the extent of having at least a resolution from a general conference, that there was an advantage in changing from a provincial incorporation in which they would have participation, to a national one in which, in my opinion, they should also have an opportunity of participating. They could make the application rather than the officials.

I say this because the reason for having these incorporations of churches come before us is because of the abuses which have taken place over the years—instances of one or more persons getting together and setting up an agency which was, in effect, a collection agency, and getting control in a central agency which could override all the other agencies.

I think the question has been legitimately asked, whether the individual churches were protected; and, by resolution, this should be decided by a general conference when asking for incorporation.

Mr. MACLAREN: This Board of Missions operates under the authority of the denomination. Presumably, therefore, the elected officers of the Church of God in Canada have authority over the Board of Missions in the matter of who is on the Board of Missions, and in that way the members of the individual congregations have control, through their general assembly, or whatever it may be called, of the officers of the denomination, who, in turn, have authority over the board which operates under the congregation.

Mr. PETERS: It does not say that anywhere. This may be the situation, but it is not spelled out.

There is also an indication, Mr. Chairman, that what is being applied for here is a Canadian Board of Missions of another church. We do not very often in Canada like to think of ourselves as being benefactors of a missionary service, particularly in a newly emerging African country. I presume this is why the Board of Missions is mentioned? It is not the missions that are going to be operated in Africa; it is really the mission that is being operated in Canada.

Mr. MACLAREN: This board governs both.

Mr. PETERS: All the churches in Canada are missions of the United States.

Mr. MACLAREN: No; in Alberta the name of the Alberta corporation is the Home and Foreign Missionary Board. They wanted to shorten the name and therefore, they called it the Canadian Board of Missions.

This board comes directly under the authority of the denomination. I cannot think of any specific example of this, but I am certain that practically every denomination which is in existence has administrative bodies operating under it. Those administrative bodies do not own the denomination; the

denomination controls the administrative body which may be incorporated in a certain jurisdiction for certain business reasons, to carry on an aspect of the work.

The Board of Missions is the missionary branch of the church, created to raise money and to lend money to congregations to get them started, whether at home or overseas, and also to run the mission schools.

Mr. PETERS: Not the whole church operation in Canada.

Mr. MACLAREN: No. The Board of Missions operates under the authority of the denomination.

Mr. PETERS: Have you assured yourselves that the interests of the church itself are being met by this bill? Secondly, are you of the opinion that this type of bill is necessary, and is it necessary to have this extensive form for your purposes?

Mr. MACLAREN: I do not know that I can honestly answer the first question, or even attempt to. When a group of people approach you, through a solicitor in western Canada, to incorporate, I do not see how I possibly could go back—

Mr. PETERS: Perhaps it was not a fair question.

What about the second question?

Mr. MACLAREN: This bill follows a fairly standard form.

Mr. PETERS: I have objected in the past to the form. It allows you to issue everything but money. It is a very extensive piece of legislation, some of which you will probably never use. I was just wondering if you have a suggestion to make to the Committee that we should modify some of the terms of our form bill, to more specifically serve the needs of the people you represent, than using the form bill which seems to be an ombudsman bill. There is nothing left out of these types of bills.

Mr. MACLAREN: It is the weakness of the profession, I would think. Let me put it this way, that the only answer I could give now is that I can see a reason for everything that is in it.

The CHAIRMAN: Mr. MacLaren, I would like to ask a question to clarify something.

Did the people who asked for the incorporation call for a general meeting of all their members in Canada in order to make this request for incorporation?

Mr. MACLAREN: I cannot answer that, Mr. Chairman.

The CHAIRMAN: The incorporation, then, was only the request of some members, without consulting the other members of the church? It is not a resolution, but a request?

Mr. MACLAREN: It may well be within the powers of these individuals—

Mr. LACHANCE: Mr. Chairman—

The CHAIRMAN: Mr. Lachance, I was just asking that question to clear up my mind.

Mr. LACHANCE: I would like to know from the witness under what names they are presently operating under provincial charters?

Mr. MACLAREN: In Alberta it is the Canadian Home and Foreign Mission Board of the Church of God. In Saskatchewan, I am not sure if it is the same name, but it is very similar to it.

Mr. LACHANCE: And you do not have any resolutions from these provincial congregations?

Mr. MACLAREN: No; they are not provincial congregations.

Mr. LACHANCE: They have provincial charters.

Mr. MACLAREN: The board operates under the church and this is the church with its headquarters in Camrose, Alberta. That is the head office of the Canadian Church of God. It has two boards incorporated provincially, but the headquarters of the church is Camrose, Alberta, in Canada.

Mr. LACHANCE: In other words, Board of Missions of the Church of God are in these provincial charters.

Mr. MACLAREN: Yes.

Mr. LACHANCE: Therefore, what happens if there are no resolutions? I am in complete agreement with—

Mr. MACLAREN: What we are trying to do here is substitute a subsidiary body to the Church of God with its head office in Camrose, Alberta for two provincially incorporated bodies already working under the church. Those administrative bodies incorporated provincially are only arms of the Church of God. Now we are creating another arm which has a broader scope. This is the purpose of the bill. I understand the intention will then be that they, themselves, will wind up the provincial administrative boards.

Mr. LACHANCE: There has been no authorization given to these members who are incorporated provincially to use this "Board of Missions"? You know that whenever you want to incorporate a charter in Ottawa, under the name of an individual, it requires the authorization of this individual to form a corporation using his name. You know that?

Mr. MACLAREN: I certainly do; and it is also becoming more and more difficult to achieve.

Mr. LACHANCE: Why did they not give authorization? I am in complete agreement with that suggestion for the future guidance of the Committee.

Mr. MACLAREN: I must say, Mr. Chairman, that perhaps I have been remiss in not obtaining a consent. However, we did not think it was necessary because the persons who are applying for incorporation federally are officers of the church, many of whom are also officers of the provincial administrative boards.

Mr. LACHANCE: Does it say this in this bill?

Mr. MACLAREN: No, it does not. They are just individuals.

Mr. LACHANCE: They should have been there.

Mr. MACLAREN: I wonder if they should have. Perhaps they could have been designated in their positions in the church. They are the people who control and form the provincial boards which are already incorporated.

Mr. LACHANCE: I am ready to accept this, and I am sure you are telling us the truth, but for the future guidance of the Committee this should be done.

My specific question, Mr. Chairman, is this: Is it the wish of the congregation to use the full name of the corporation at all times, in publicity matters and so on?

Mr. MACLAREN: I think we have to. There is no choice. They would rather not have used this, but we have to.

Mr. LACHANCE: If they could use only a portion of this name the purpose of this addendum would be defeated.

It should be "Church of God," not "The Church of God".

Mr. PETERS: I would think it should be pointed out that the word "The" should not be part of the title. Perhaps "Church of God" should be in italics, but I do not think "the" should be used.

Mr. MACLAREN: This, of course, is the problem which we struggled with in the Senate and the point is that the denomination is called, and has been called for such a long time, the Church of God. The witnesses who were down here for the church, when the bill was before the Senate, appreciated this. They came up with many suggestions, and they finally settled on this one as being the one they could best live with and still retain the name of the denomination.

I think the Board of Missions has to retain the name of the denomination, otherwise you are asking them to change the name of the denomination.

The CHAIRMAN: I am just trying to consider the legal aspect of the bill, because in my mind I am uncertain whether we should accept it.

Mr. MACLAREN: Why, Mr. Chairman?

The CHAIRMAN: Because you did not have the consent of all the members.

I will let the members of the Committee continue with their questions, and decide on that later.

Mr. PETERS: Mr. Chairman, on a point of order.

Personally, I am not going to insist on it, because I do not think we have in the past, but the Clerk has just given me May's 16th Edition of Parliamentary Practice, and at page 939, dealing with bills referred to the examiners under what are known as the Wharncliffe Standing Orders 62-67, House of Commons and House of Lords, it states: "Bills conferring particular powers upon companies constituted by Act of Parliament or otherwise, have to be referred, in both Houses, to the examiners for proof that the bills have been duly approved of by the proprietors or members of the companies". It goes on to say, in other sections, that the consent must amount to four-fifths of the members consenting by the passing of a resolution, and while I personally do not want to make it an issue in this case it is something I have thought about for some time on other bills. It is a practice which I think we should endorse.

In this case I do not think we should enforce this, but I do believe that for the parliamentary agent's own protection this is something that should be done, because he really assumes a responsibility in assuring us that this is a fact. He should not be asked to do it, because I do not think he has any control over it, particularly when he does not even know the principals in some cases.

I think this should be noted.

Mr. MACLAREN: Perhaps the reason that this is not followed, or does not seem to have been followed with religious bodies, is that the various religious denominations are set up in so many different ways, with their by-laws going back and back, and the legislation effecting them. I think every case is different. How can you assure—

Mr. PETERS: Except so far as we are concerned. We are going to give them an act, and we are setting up a new type of legal identity for them. For this reason we should be able to be assured we are not creating the situation of allowing a number of ministers the right to establish a body which may be in conflict with all of the members. I am not making any specific objection, and I do not think we should refuse to pass this because of this, but I think it should be circulated.

Mr. MACLAREN: Perhaps in this particular case we can overcome this difficulty by indicating that we did not designate the title of these individual applicants. The first person, the Reverend Henry Charles Heffren, Minister of the City of Medicine Hat, is in fact, the chairman of the Canadian Home and Foreign Missionary Board of the Church of God, Alberta. The Reverend A. D. Semrau is the executive secretary; and some of these other gentlemen who are mentioned here are church officers. However, I can see your point. I agree with you.

Mr. PETERS: I am not suggesting they are not; I am just suggesting that we are making a legal decision on something, and that we perhaps should have decided a long time ago that protection should be provided to the people we are incorporating.

Mr. MANDZIUK: Mr. Chairman, I am very reluctant to come back to the subject again, but I, for one, feel that there is considerable confusion existing, at least in my mind, on whether this bill is coming before us properly, due to the fact that the witness has admitted that he did not have answers to several of the questions asked, and because we realize that any undertaking that he gives us has no binding effect on the corporation.

I would, therefore, suggest that, if at all possible, we adjourn this meeting to a later date, and not hold up the proceedings any longer. If you want a motion to that effect, I so make it.

Mr. O'KEEFE: I will second the motion.

The CHAIRMAN: We have three other bills waiting for our consideration and the witnesses are here.

The Committee agrees, but—

Mr. MACLAREN: Mr. Chairman, may I say just one thing. We might have had a witness available, but the circumstances are that I have to act as the witness, and it is only from my very general knowledge of the church that am I able to do this.

The CHAIRMAN: I now have to deal with the motion by Mr. Mandziuk.

Mr. MANDZIUK: I have a feeling that this Committee is not prepared to render a judgment to accept or reject. I would like to see it accepted, but—

The CHAIRMAN: Perhaps you could amend your motion on that bill in order to take care of the other bills afterwards?

Mr. JOHNSON: I would like to go back to the motion, and I would like to object to the whole discussion that has been going on for the past three quarters of an hour. The Church of God as a name certainly has not been any touchstone for the success of this particular body. It is not that large, in spite of its being in Canada for over 60 years.

In towns and cities where there is a Church of God of this particular denomination, if you ask a resident where is the Church of God he will tell you that it is on the corner of 4th and 6th. He will not be mystified about this at all, because it is immediately accepted that this little building on this corner is the Church of God and the one on the next corner is the Anglican Church in Canada and so on all the way through.

As far as concerns the objections that have been raised by Mr. Peters on this, if there is any congregation, or any new individuals within any congregation, who object to what is being done here, they will immediately leave the church and set up the Church of God Reformed, and 60 years from now we will have another bill before us in Parliament to incorporate the Canadian Board Of Missions of the Church of God Reformed.

These organizations, I think, are extremely democratic and the congregations are far more independent than almost any other religious body that we have in this country.

I think the whole issue is being confused by technicalities.

The CHAIRMAN: Is there any member who wishes to speak on that?

Mr. LACHANCE: Like Mr. Peters, I was not intending to make an issue out of this, but this is for the future guidance of the Committee. If the agent can tell the Committee or the Chairman of the Committee that there was no objection received by him following this bill, I personally have no objection to the bill.

The CHAIRMAN: I have a note from the Clerk of the Committee suggesting that the motion be put again.

Mr. MACLAREN: I have no objection.

Mr. PETERS: Mr. Chairman, since the motion was not seconded—

The CHAIRMAN: Yes, Mr. O'Keefe seconded the motion; and Mr. Johnson just spoke on it.

Those in favour of the motion by Mr. Mandziuk and seconded by Mr. O'Keefe? Those opposed?

The motion is defeated.

The CHAIRMAN: Shall clauses 1 to 17 inclusive carry?

Some hon. MEMBERS: Carried.

Clauses 1 to 17 inclusive agreed to.

The CHAIRMAN: Shall the preamble carry?

Mr. PETERS: Mr. Chairman, in carrying the preamble, I would like to say that, in my opinion, we should attach to this a recommendation that the decision in this case should not create a precedent, and that we have now raised the problem of resolution decision. I suggest that it should, in some way be circulated to parliamentary agents, for their guidance, that this section of May's

Parliamentary Practice should be put into effect, and that a resolution endorsed by at least a majority—as, in this case, at least four-fifths of the membership—be attached and circulated.

The CHAIRMAN: Shall we accept the bill with the recommendation?

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: I will now ask the members to proceed to the next three bills.

The next one is Bill S-29, an Act to incorporate the International Society of Endocrinology.

I will now call the preamble and ask the sponsor, Mr. Harley, a member of Parliament, to introduce the parliamentary agent.

Mr. HARRY C. HARLEY (*Sponsor*): Mr. Chairman and members of the Committee, I have with me this morning Mr. Peter Laing of Montreal who will give a resume of the bill, and also Dr. John Beck, secretary-general, International Society of Endocrinology.

Mr. Peter C. LAING, Q.C. (*Parliamentary Agent*): Mr. Chairman and members of the Committee: Endocrinology, as members know, is a branch of the biological sciences which is concerned with the study of the ductless glands, such as the thyroid gland, the pituitary gland and others, which produce hormones, substances essential to the vital processes in men and animals.

After the first world war it became evident that this was becoming a discipline of its own, and this was reflected in the creation of a number of national endocrine societies.

In the 50's these endocrine societies, or, rather, their members, realized that it was essential to establish an international body in order to provide a channel of communication in this science, or discipline, between the various national societies. In 1957 a committee was founded in London with a view to setting up this body. Following the establishment of this committee, an international congress of endocrinologists was held in Copenhagen in 1960, and a second one in London in 1962, where the incorporated society, your petitioner here, finally came into being and its constitution and by-laws approved.

At that time there were some 23 to 24 national societies. By last year these had grown to 40 in number and you will see them listed in the schedule to the bill. I am told that there are also four associate members which do not appear on the schedule, one of them being the Endocrinology Society of the U.S.S.R.

The main function of this international society is to organize and promote international congresses and to serve as a clearing house for information of interest to endocrinologists, such as, for instance, the results of recent research, meetings that are scheduled to be held of special interest, posts to be filled, training programs and other things of that nature. One of the more distant aims of the society is to publish the International Journal of Endocrinology.

That these ends are being met is, I think, shown by a recent decision to hold the third congress of endocrinology in Mexico in 1968, and it is

considered that this will involve the expenditure of some \$75,000. I might mention that the unincorporated society presently has a sterling balance of over 10,000 pounds in England and over \$3,000 here. It is for this reason that it seems evident that these sort of funds are to be held and administered, if contracts are to be made with hotels, with convention halls and such things, it is most essential that this society should be incorporated.

As it is a private society, and not a government society, it will have to be incorporated under the municipal law of some country or other, and members may well ask why Canada was selected, because selected it was by every one of the 44 members who had written in to the secretary general authorizing an incorporation in Canada. I think there were a number of reasons for this decision, the main one, of course, being that Canada is a respectable middle power, where east and west can meet. It may have been also influenced by the fact that the secretary general is a Canadian, and, the physician is chief of Royal Victoria Hospital, as well as the professor of medicine at McGill. It may also have been influenced by the fact that the Parliament of Canada incorporated in 1961 the international brain research organization, which has been functioning very successfully in its field, very similar to this, since then.

Members may also ask why, if we are incorporating in Canada, do we have to come to Parliament for it? There are a number of reasons there too. Only by a statutory incorporation by Parliament can our present constitution be carried on and made the constitution of a legally incorporated body. I think the reasons can be summarized as prestige for the international society, and convenience. Foreigners wanting to find out what the charter is of the international society only have to look at the act. If it were to incorporate under the Canada Corporations Act it would be necessary to hold an annual general meeting every year. It is impossible to do that in an international society of this size. These conventions take place at intervals of two years or more.

The CHAIRMAN: I think you have given the Committee enough information. Are there any questions?

Mr. LANGLOIS: Mr. Chairman, I saw a list of 44 member societies. They are all national societies, and I notice that we have no national Canadian society of endocrinology.

Mr. LAING: You are quite correct. I would ask Dr. Beck to answer that. There is a North American Society of Endocrinology, and the Canadians belong to that. It was actually incorporated in the United States. There are about 50 Canadian members.

Dr. John BECK (*Secretary General, International Society of Endocrinology*): That is correct. The Endocrinology Society of the United States has been considered the Endocrinology Society of North America.

Mr. PETERS: We should be pleased that we have the type of people in Canada who warrant the respect of other medical professionals to the extent of having the brain research centre in Canada under Dr.—

Mr. BRAND: Jasper.

Mr. PETERS: There is also some interest in the heart field, involving some other well known Canadians.

This is a further indication of the work that has been accomplished in some of our hospitals and through the teaching profession in Canada. I think it is quite an honour—

Some hon. MEMBERS: Hear, hear.

Clauses 1 to 11 inclusive agreed to.

Schedule agreed to.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: I shall call Bill S-37, an Act to incorporate Mennonite Central Committee (Canada).

I shall call the preamble and ask the sponsor to introduce the parliamentary agent.

Mr. ENNS: Mr. Chairman, I am delighted to appear as sponsor of this bill.

It was the intention of the committee to have appear before you Mr. J. F. Clauson, the executive secretary from Winnipeg. I had a telephone conversation with Mr. Clausen yesterday as soon as the meeting was held, and he regretted very much that he would be unable to meet the deadline of 11 o'clock this morning.

However, I am acquainted with at least four of the directors named in clause 1 of the bill, and I might be able to supplement some of the information which the parliamentary agent, Mr. Greg. Gorman, will supply to you as he presents the bill.

Mr. G. J. GORMAN (*Parliamentary Agent*): Mr. Chairman and hon. members, I should point out at the outset that this is not a bill to incorporate a religious body. The purpose is to incorporate the Mennonite Central Committee in Canada, which is an existing co-ordinating committee of the several Mennonite bodies in Canada, and the function of which is to co-ordinate the social service effort of those churches.

The committee has been carrying on for a number of years the social service work of the churches, and it is now considered desirable to seek incorporation by Act of Parliament in order to make more efficient their work and also to make it easier with respect to estate tax and income tax exemptions which are available under those acts.

Clauses 1 to 19, inclusive, agreed to.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: I shall call Bill S-39, an Act to incorporate Lutheran Church in America—Canada Section.

I shall call the preamble and ask the sponsor, Mr. Eric Winkler, member of Parliament, to introduce the parliamentary agent.

Mr. WINKLER: Mr. Chairman, members of the committee, I have the parliamentary agent, Mr. John Richard, and although there is a close relationship between this Mr. Richard and the one at the table I assure my hon. colleagues that it is not the same man!

I would also like to inform the members of the committee that, being a member of the Lutheran Church myself, I am well acquainted with all the persons mentioned, and I have also brought along Dr. Albert Lotz, the president of the Eastern Canada Synod, in case there are any questions with regard to this bill.

It is simply bringing together bodies within the church, to act in a closer relationship. The objects are clearly stated on page 2, clause 4. It is a routine matter.

The CHAIRMAN: Do you wish to have Mr. Richard explain the purpose of the bill?

Mr. JOHN RICHARD (*Parliamentary Agent*): Mr. Winkler has explained the purpose of the bill.

There are already three synods of the Lutheran Church in Canada, each one separately incorporated, and the purpose is to form one organization which will re-unite these three synods.

While they will not lose their own autonomy, they will join in common objectives such as charitable work and religious work.

It is not the formation of a new religious body in Canada. It is merely an organization to re-unite three existing synods of the existing Lutheran Church in Canada.

Clauses 1 to 15 agreed to.

On clause 16.

Mr. PETERS: Mr. Chairman, in relation to clause 16, I would like to ask the parliamentary agent whether or not he is of the opinion that the committee should ask for a change in the format of this type of bill in relation to such things as clause 16—or part of it, at least—which seems to be pretty extensive and almost in the same category as an insurance company operating under the Canadian-British Insurance Act? You have handled some other companies of this nature in the past. Is it in the interests of your clients to ask for, or to have any use for, the extended powers which we seem to grant?

Mr. RICHARD: Dealing with clause 16, Mr. Peters, this does not extend their powers. It really limits their powers to invest in these types of funds. These are the types of funds which are generally recognized as being secure. The moneys which this organization will have will be, if not in the legal sense of the word, then in the moral sense of the word, trust moneys, and the purpose of clause 16 is to make sure that, if they have to invest these moneys, they will invest them in types of securities which are recognized as being safe, or at least safer than other types of securities.

The CHAIRMAN: Does that answer your question, Mr. Peters?

Mr. PETERS: In other words they have to operate as they would under the Canadian-British Insurance Companies Act?

Mr. RICHARD: The types of securities in which they can invest are those which are defined in that act.

Clauses 16 and 17 agreed to.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Thank you, gentlemen.

The committee stands adjourned at the call of the Chair.

Mr. [Name] The types of securities in which they can invest are those which are listed in [Section]

Change 18 and 19 agreed to.

Preamble agreed to.

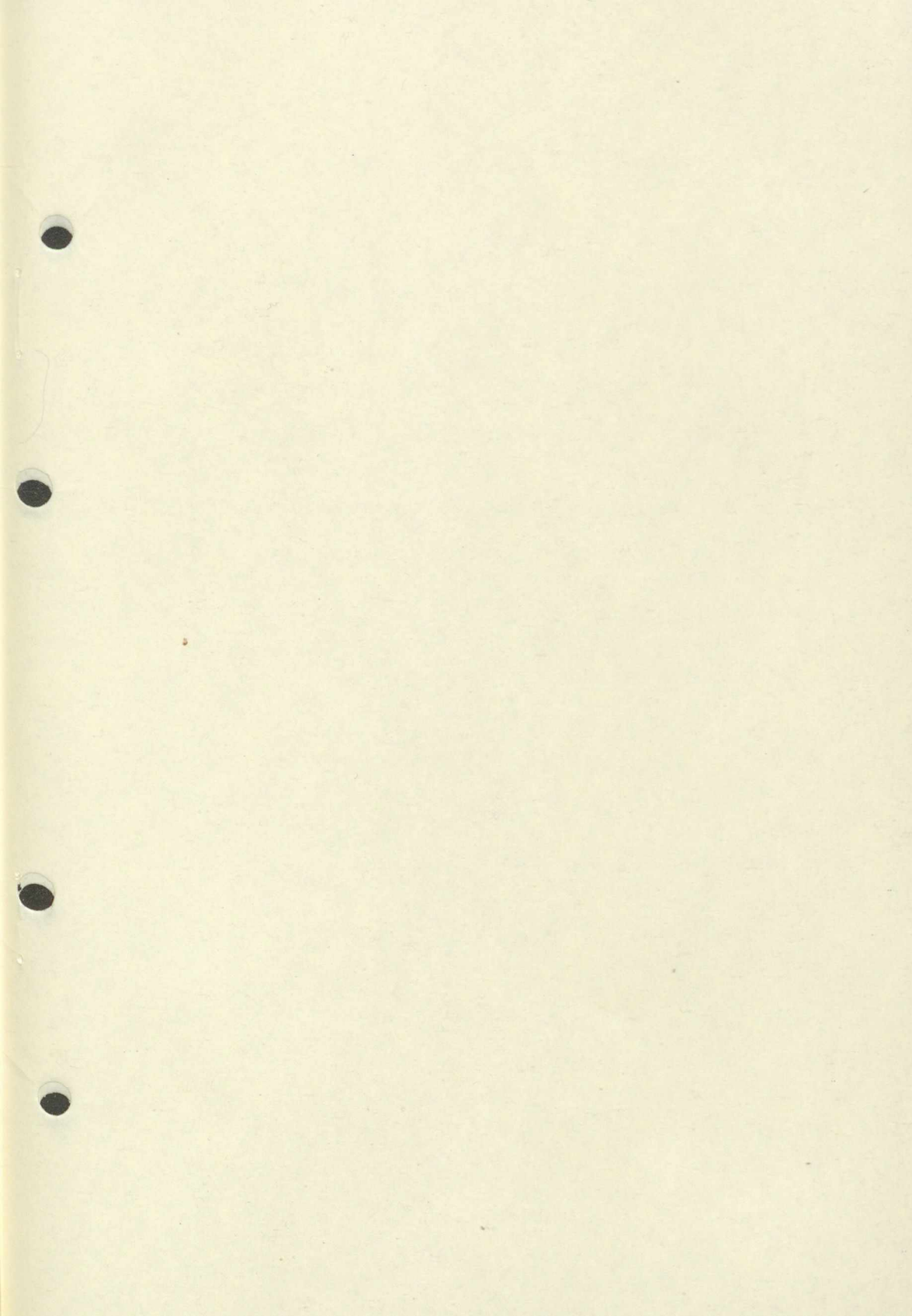
Title agreed to.

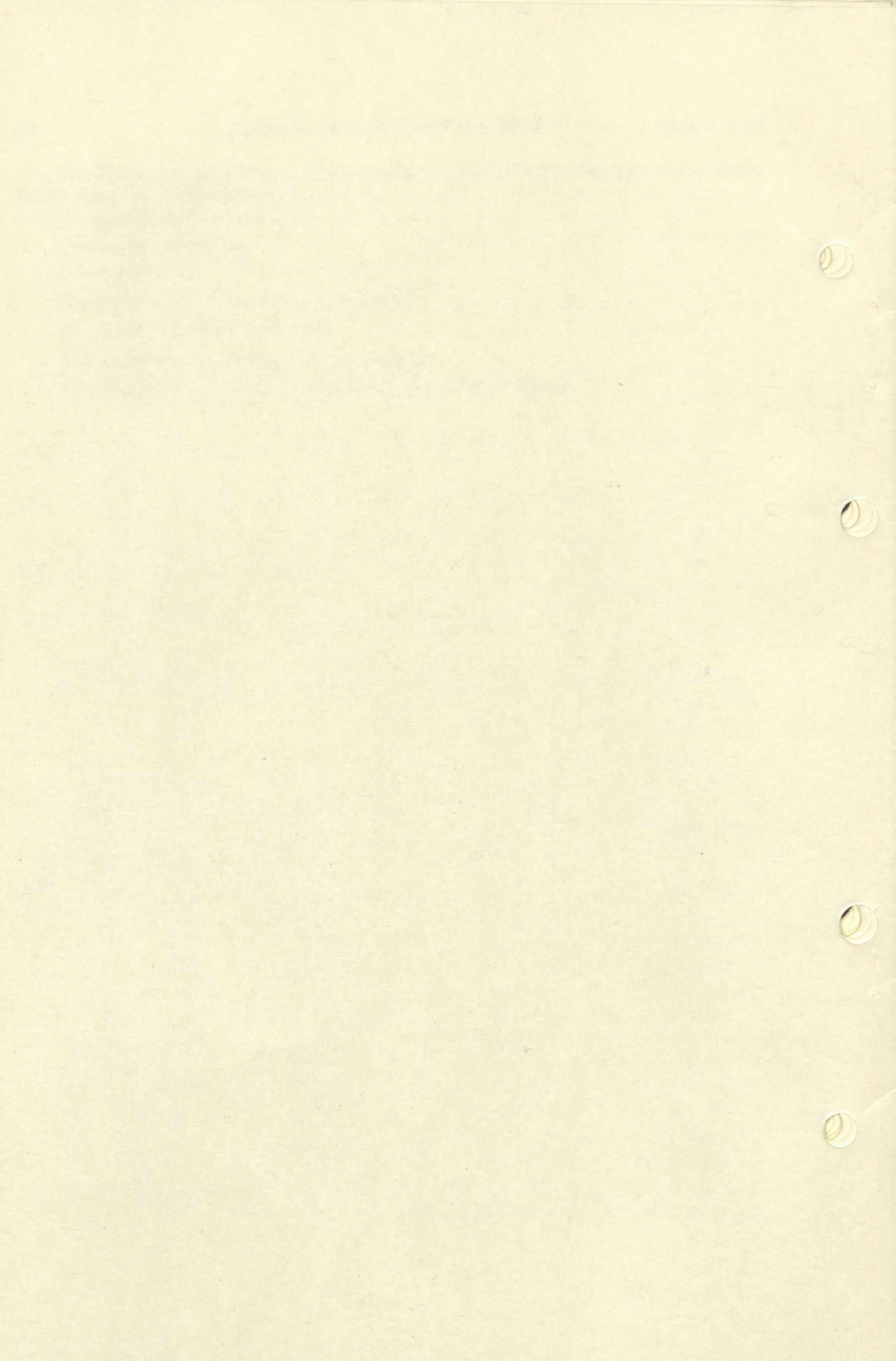
The Chairman: Shall I report the bill?

House: Aye. Aye. Aye.

The Chairman: Thank you, gentlemen.

The legislative report appeared at the end of the Chair.





HOUSE OF COMMONS

First Session—1905-1906

1906

STANDING COMMITTEE

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LÉON J. RAYMOND,
The Clerk of the House.

1906

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The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE
ON
MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. GÉRARD LOISELLE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, DECEMBER 8, 1966

BILL S-38

An Act to incorporate The Evangelical Covenant
Church of Canada.

Mr. Marcel Joyal, Q.C., Parliamentary Agent.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON
MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. Gérard Loiselle

Vice-Chairman: Mr. Carl Legault

and

Mr. Addison,	Mr. Johnston,	Mr. Racine,
Mr. Cadieu (<i>Meadow Lake</i>),	Mr. Lachance,	Mr. Richard,
Mr. Clermont,	Mr. Langlois (<i>Chicoutimi</i>),	Mr. Simard,
Mr. Côté (<i>Dorchester</i>),	Mr. Laverdière,	Mr. Smith,
Mr. Fairweather,	Mr. Mandziuk,	Mrs. Wadds,
Mr. Forrestall,	Mr. Neveu,	Mr. Whelan,
Mr. Horner	Mr. O'Keefe,	Mr. Woolliams—24.
(<i>The Battlefords</i>),	Mr. Peters,	

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

ORDER OF REFERENCE

HOUSE OF COMMONS

THURSDAY, December 1, 1966.

Ordered,—That Bill S-38, An Act to incorporate The Evangelical Covenant Church of Canada, be referred to the Standing Committee on Miscellaneous Private Bills.

Attest.

LÉON-J. RAYMOND,

The Clerk of the House of Commons.

REPORT TO THE HOUSE

FRIDAY, December 9, 1966.

The Standing Committee on Miscellaneous Private Bills has the honour to present its

THIRD REPORT

Your Committee has considered Bill S-38, An Act to incorporate The Evangelical Covenant Church of Canada and has agreed to report it without amendments.

A copy of the minutes of Proceedings and Evidence, relating to this Bill (Issue No. 3) is appended.

Respectfully submitted,

GERARD LOISELLE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, December 8, 1966.

(4)

The Standing Committee on Miscellaneous Private Bills met this day at 1:35 o'clock p.m. The Chairman, Mr. Loiselle, presided.

Members present: Messrs. Clermont, Côté (*Dorchester*), Fairweather, Forrestall, Johnston, Lachance, Langlois (*Chicoutimi*), Laverdière, Legault, Loiselle, Mandziuk, Richard and Whelan (13).

In attendance: Mr. Reynold Rapp, M.P., sponsor of Bill S-38 and Mr. Marcel Joyal, Q.C., Parliamentary Agent.

The Committee proceeded to the consideration of Bill S-38, An Act to incorporate The Evangelical Covenant Church of Canada.

The Chairman called the Preamble and asked the sponsor to introduce the Parliamentary Agent.

Mr. Joyal explained the purpose of the Bill.

After discussion, the Preamble was carried.

Clauses 1 to 17 inclusive were adopted.

The Title carried.

The Bill carried.

It was *agreed*,—That the Chairman report Bill S-38, without amendment, as the Committee's THIRD REPORT to the House.

At 1:50 o'clock p.m., the Chairman adjourned the Committee to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, December 8, 1966.

● (1.35 p.m.)

The CHAIRMAN: I see we have a quorum. We have before us Bill No. S-38, An Act to incorporate The Evangelical Covenant Church of Canada. Mr. Rapp is the sponsor of the bill and I will ask him to introduce the parliamentary agent. the preamble.

On the preamble.

Mr. RAPP: Mr. Chairman, the purpose of this corporation is to organize congregations, build churches, maintain mission fields, support churches and the institution. In other words, it is strictly a corporation that will promote Christian literature and everything along those lines. This is the purpose of the corporation.

The CHAIRMAN: Thank you. Do you have anything to add to this Mr. Joyal?

(Translation)

Mr. LACHANCE: Mr. Chairman, is Mr. Joyal a parliamentary agent?

The CHAIRMAN: Yes.

(English)

Mr. MARCEL JOYAL (*Parliamentary Agent*): I think Mr. Rapp has summed up the purpose of his bill most adequately.

Mr. FAIRWEATHER: Mr. Chairman, the bill has passed the Senate and there are no unusual provisions.

The CHAIRMAN: No amendments.

Have you any questions to ask at this time?

Mr. JOYAL: As Mr. Fairweather stated, it is the usual presentation instituting a corporation.

The CHAIRMAN: The bill went through the Senate committee and no amendments were made to it.

Mr. LACHANCE: Mr. Chairman, was any evidence taken and published in the Senate? I tried to obtain a copy but could not.

The CLERK: Not in the Senate Committee, sir, they do not report private bills in the Senate Committee.

Mr. MANDZIUK: When would a question be in order? I would like to ask a question or two.

The CHAIRMAN: Sure, you may do that, my friend.

Mr. MANDZIUK: I hope I will not delay proceedings.

The CHAIRMAN: No, no.

Mr. MANDZIUK: Since we are all here.

The Chairman: Exactly.

Mr. MANDZIUK: The Evangelical Covenant Church of Canada— are they a recognized church and how many parishes do they have.

The CHAIRMAN: Perhaps Mr. Joyal could answer that?

Mr. JOYAL: I could refer Mr. Mandziuk, Mr. Chairman, to a small folder here which sets out what has been the evolution and accomplishment and the efforts of this particular church.

The CHAIRMAN: Do you have a summary of that?

Mr. JOYAL: I can give you a summary of it, but I believe that perhaps Mr. Rapp has some fairly good ideas.

Mr. RAPP: As I stated before, this corporation is strictly organized or incorporated for the simple reason to promote Christian religion and build churches and distribute Christian literature in places where they have such organizations. This is the simple purpose.

The CHAIRMAN: Yes, but the question of Mr. Mandziuk to you or Mr. Joyal is how many congregations or parishes do they have?

Mr. MANDZIUK: How strong are they in Canada, how many members?

Mr. RAPP: Well they are strictly in Canada. They are pretty well established in the western provinces, in Prince Albert and in some other big cities.

The CHAIRMAN: You cannot say how many congregations they have?

Mr. RAPP: No, I cannot.

Mr. WHELAN: Mr. Chairman, may I point out that—

The CHAIRMAN: Mr. Mandziuk has another question.

Mr. WHELAN: I might be able to help Mr. Mandziuk in his seeking of information on whether this church is legitimate.

The CHAIRMAN: You have the floor, Mr. Whelan, if you could—

Mr. WHELAN: I would point out that there are several farmers on the board, so this would necessarily make it legitimate. These are people of the soil and people who are cultivators of the soil are closer to God, and this would make this church legitimate, as far as I am concerned.

Mr. MANDZIUK: I am not questioning the legitimacy of this organization, Mr. Chairman. I am interested in knowing with whom I am dealing; whether this is something that has just come out of thin air or whether this church has been carrying on its work—

Mr. FAIRWEATHER: I believe there are 540 covenant churches.

Mr. MANDZIUK: Oh, well, you do not have to believe. That is something that should be available.

Mr. FAIRWEATHER: Well, I will read to you, if you cannot read; there are 540 covenant churches with a membership of 60,000 in the United States and Canada.

Mr. WHELAN: United States and Canada?

Mr. JOYAL: There are about 60, I believe, that are Canadian congregations. Because it is a congressional church, it is only a very loose arrangement which ties the congregation to the particular doctrine of that particular church.

The CHAIRMAN: Are there any further questions?

(Translation)

Mr. LACHANCE: Mr. Joyal, through this proposed legislation, is it the intention to change the present structure of this existing church?

Mr. JOYAL: In substance, not at all. All that is sought here is to give it corporate existence in this country. In other words, it will allow it to own property or to undertake various types of activity. The degree of personal responsibility here is being limited and the fiduciary system adopted until now will be done away with.

Mr. LACHANCE: A supplementary question, Mr. Chairman. In other words, if I understand you properly, it does give legal status to a group which at the present time has no such status?

Mr. JOYAL: Exactly. At the present time it is really an association and they want to set themselves up as a corporation, as a legal entity.

Mr. LACHANCE: If I have understood this properly then, each of these groups which will join this new organization, if it is incorporated, is not at present incorporated by itself. There is no corporation under any such statute?

Mr. JOYAL: They will, of course, be bound by the terms of this Bill.

Mr. LACHANCE: Voluntarily?

Mr. JOYAL: Voluntarily.

Mr. LACHANCE: Because of their free membership in this association or corporation?

(English)

The CHAIRMAN: Any further questions?

Shall the preamble carry?

Preamble agreed to.

Clauses 1 to 8, inclusive agreed to.

On clause 9—*Power to acquire and hold property*

Mr. FORRESTALL: One question on clause 9, in the 8th line down in the clause we read:

—and purposes of the Corporation, or to, for or in favour of any religious, educational,—

I cannot pronounce the next word and I do not know what it means. I was just curious.

The CHAIRMAN: That is in Clause 9?

Mr. FORRESTALL: Yes, clause 9, in the 8th line. It is spelled eleemosynary. What does that mean?

Mr. JOYAL: I must admit that this is a term which bothered me, Mr. Chairman, quite a bit.

Mr. WHELAN: Bishop Pike used that term the other night on television.

Mr. FAIRWEATHER: Did he?

Mr. FORRESTALL: Can you interpret it for us?

Mr. JOYAL: The interpretation as I understand it—which I think I was able to find of all places in the dictionary called Harraps which is not an English or French dictionary; it is an English and French dictionary—is a conceptual term which means that it combines much of the conceptual thinking with regard to educational or religious matters—assuming that you cannot except conceptually—and makes clear distinctions between these various purposes.

The CHAIRMAN: Are you satisfied with the answer, Mr. Forrestall?

Mr. FORRESTALL: In the sense that it is used here would it not be an institution that was maintained partly from public funds to charitable donations? I do not object to it, but I wondered what it meant.

An hon. MEMBER: I do not blame you.

Mr. FORRESTALL: It could have been anything as far as I was concerned.

The CHAIRMAN: Shall clause 9 carry?

Mr. MANDZIUK: Mr. Chairman, subsection 2 of clause 9 is interesting. It reads:

The Corporation may also hold such real property or estate therein as is bona fide mortgaged to it.

Are they in the money lending business? Or is that supposed to finance property for the parishes?

The CHAIRMAN: I feel that the buildings will belong to the church.

Mr. MANDZIUK: Advance financial assistance to the church and take a mortgage?

The CHAIRMAN: Well, the parishioners will be responsible for that mortgage. That is the way I feel. Is that correct, Mr. Joyal?

Mr. JOYAL: Yes, I suppose that it would include that if the church ever wished to dispose of some real estate, and the buyer could not provide the cash for it the property could be mortgaged to the church to secure the balance.

Mr. MANDZIUK: The corporation would advance the funds; that is usually done.

Mr. JOYAL: Or it could work the other way too, I believe, Mr. Mandziuk. Supposing they wished to dispose of a property but the buyer has not got sufficient funds, they could accept a mortgage by way of security for the balance.

The CHAIRMAN: Shall clause 9 carry?

Clause agreed to.

Clauses 9 to 17, inclusive, agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Well, gentlemen, thank you for your presence. Your work is over.

Mr. RAPP: I would like to thank you, Mr. Chairman, and members of the Committee for the dispatch with which you dealt with this bill.

The CHAIRMAN: The Committee is adjourned to the call of the Chair.

Mr. The Chairman: Shall I report the bill? Some hon. Member: Agreed.

The Chairman: Well, gentlemen, thank you for your presence. Your work is over.

Mr. Ray: I would like to thank you, Mr. Chairman, and members of the Committee for the help which you have given with this bill.

The Chairman: The Committee is adjourned to the call of the Chair, but if you have any further business to bring before the Committee, you may do so now.

Mr. Ray: I have no further business to bring before the Committee, and I thank you very much for your kind attention.

The Chairman: The bill is now before the Committee, and I will call the roll.

Mr. Ray: In the name of the Committee, I will call the roll.

The Chairman: The bill is now before the Committee, and I will call the roll.

Mr. Ray: I would like to thank you, Mr. Chairman, and members of the Committee for the help which you have given with this bill.

The Chairman: The bill is now before the Committee, and I will call the roll.

Mr. Ray: I have no further business to bring before the Committee, and I thank you very much for your kind attention.

The Chairman: The bill is now before the Committee, and I will call the roll.

Mr. Ray: I would like to thank you, Mr. Chairman, and members of the Committee for the help which you have given with this bill.

The Chairman: The bill is now before the Committee, and I will call the roll.

Mr. Ray: I have no further business to bring before the Committee, and I thank you very much for your kind attention.

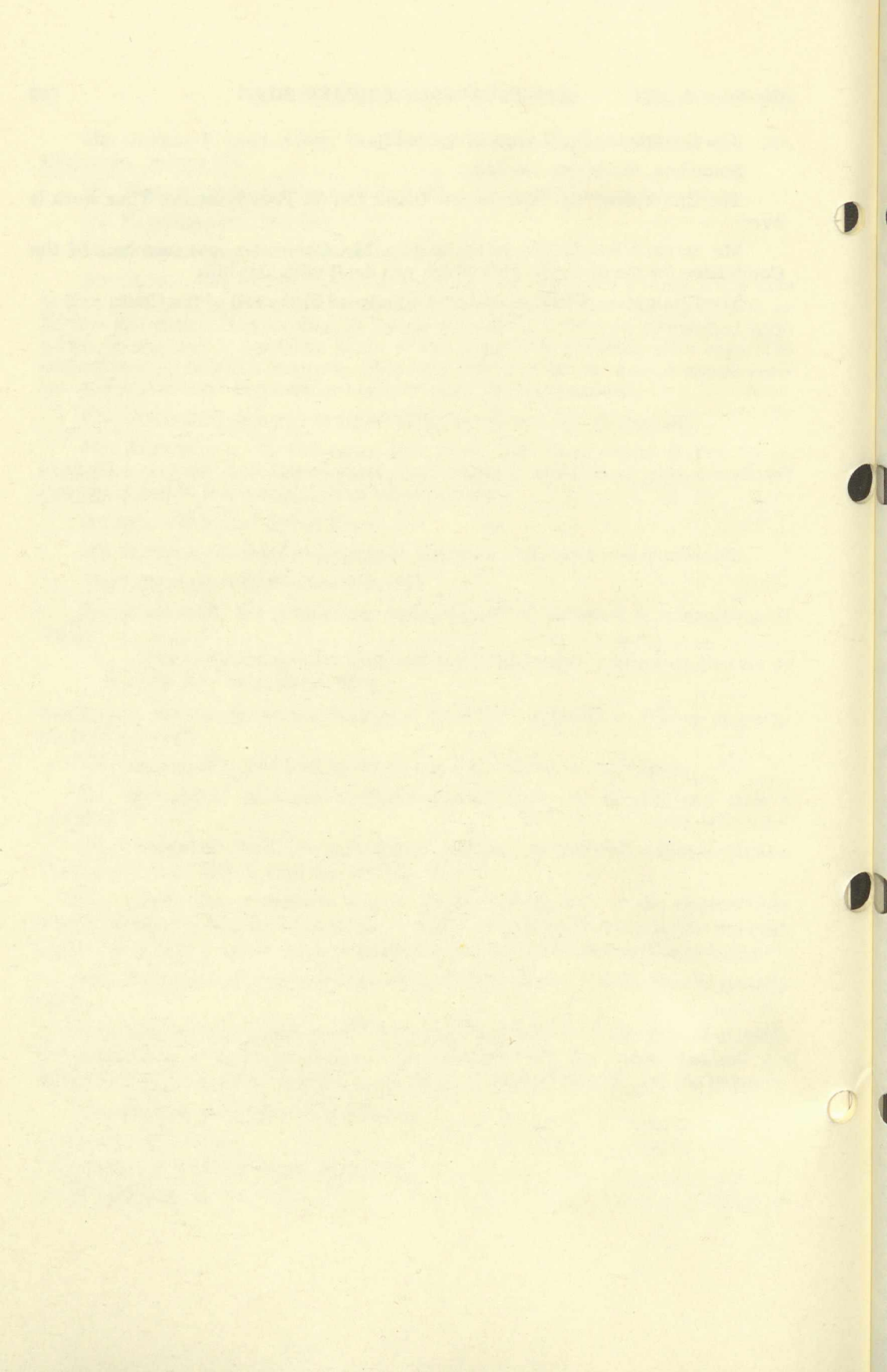
The Chairman: The bill is now before the Committee, and I will call the roll.

Mr. Ray: I would like to thank you, Mr. Chairman, and members of the Committee for the help which you have given with this bill.

The Chairman: The bill is now before the Committee, and I will call the roll.

Mr. Ray: I have no further business to bring before the Committee, and I thank you very much for your kind attention.

The Chairman: The bill is now before the Committee, and I will call the roll.



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GEORGE B. VAUGHAN
Gives advice according to Committee
Public and private bills are referred to the
Committee and complete bills are referred to the
and of a translation into English of the French
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LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. GÉRARD LOISELLE

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

TUESDAY, FEBRUARY 14, 1967

THURSDAY, FEBRUARY 23, 1967

THURSDAY, MARCH 2, 1967

BILL S-26

An Act respecting The Excelsior Life Insurance Company

WITNESSES:

Mr. Fraser M. Fell, Q.C., Parliamentary Agent; Mr. R. Humphrys, Superintendent of Insurance; Mr. M. Kenny, President and Mr. Morgan Crockford, Vice-President and Secretary, The Excelsior Life Insurance Company.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

STANDING COMMITTEE ON
MISCELLANEOUS PRIVATE BILLS

Chairman: Mr. Gérard Loiselle

Vice-Chairman: Mr. Carl Legault
and Messrs.

Addison,	Lachance,	Racine,
Cadiou (<i>Meadow Lake</i>),	Langlois (<i>Chicoutimi</i>),	Richard,
Clermont,	Laverdière,	Simard,
Côté (<i>Dorchester</i>),	Mandziuk,	Smith,
Fairweather,	Neveu,	Wadds (Mrs.),
Forrestall,	O'Keefe,	Whelan,
Horner (<i>The Battlefords</i>),	Peters,	Woolliams—24.
Johnston,		

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

Mr. Howard replaced Mr. Peters on February 22, 1967.
Mr. Langlois (*Megantic*) replaced Mr. Simard on February 23, 1967.
Mr. Stanbury replaced Mr. Racine on February 27, 1967.
Mr. Forest replaced Mr. Côté (*Dorchester*) on February 27, 1967.
Mr. Peters replaced Mr. Howard on February 28, 1967.
Mr. Webb replaced Mr. Woolliams on March 1, 1967.
Mr. Gundlock replaced Mr. Mandziuk on March 1, 1967.
Mr. Ormiston replaced Mrs. Wadds on March 1, 1967.
Mr. Lessard replaced Mr. Addison on March 1, 1967.
Mr. Tardif replaced Mr. Forest on March 1, 1967.

WITNESSES:

Mr. Fraser M. Bell, Q.C., Parliamentary Agent; Mr. R. Humphrey, Super-
intendent of Insurance; Mr. W. Kenny, President and Mr. Morgan
Crookford, Vice-President and Secretary, The Excelsior Life Insur-
ance Company.

ORDERS OF REFERENCE
REPORT TO THE HOUSE

FRIDAY, March 3, 1967.

The Standing Committee on Miscellaneous Private Bills has the honour to present its

FOURTH REPORT

Your Committee has considered Bill S-26, An Act respecting The Excelsior Life Insurance Company and has agreed to report it without amendment.

A copy of the Minutes of Proceedings and Evidence, relating to this Bill (Issue No. 4) is appended.

GÉRARD LOISELLE,
Chairman.

Wednesday March 1, 1967

Ordered—That the names of Messrs. Wood, Gaudet, Gauthier, Tremblay and
Lussier be substituted for those of Messrs. Wood, Gaudet, Gauthier, Tremblay
and Lussier on the Standing Committee on Miscellaneous Private Bills.

Ordered—That the name of Mr. Lussier be substituted for that of Mr.
Howard on the Standing Committee on Miscellaneous Private Bills.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

THURSDAY, February 2, 1967.

Ordered,—That Bill S-26, An Act respecting the Excelsior Life Insurance Company, be referred to the Standing Committee on Miscellaneous Private Bills.

WEDNESDAY, February 22, 1967.

Ordered,—That the name of Mr. Howard be substituted for that of Mr. Peters on the Standing Committee on Miscellaneous Private Bills.

THURSDAY, February 23, 1967.

Ordered,—That the name of Mr. Langlois (*Mégantic*) be substituted for that of Mr. Simard on the Standing Committee on Miscellaneous Private Bills.

MONDAY, February 27, 1967.

Ordered,—That the names of Messrs. Forest and Stanbury be substituted for those of Messrs. Racine and Côté (*Dorchester*) on the Standing Committee on Miscellaneous Private Bills.

TUESDAY, February 28, 1967.

Ordered,—That the name of Mr. Peters be substituted for that of Mr. Howard on the Standing Committee on Miscellaneous Private Bills.

WEDNESDAY, March 1, 1967.

Ordered,—That the names of Messrs. Webb, Gundlock, Ormiston, Tardif and Lessard be substituted for those of Mrs. Wadds and Messrs. Woolliams, Mandziuk, Addison and Forest on the Standing Committee on Miscellaneous Private Bills.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

TUESDAY, February 14, 1967.

(5)

The Standing Committee on Miscellaneous Private Bills met this day at 1.50 o'clock p.m. The Chairman, Mr. Loiselle, presided.

Members present: Messrs. Clermont, Côté (*Dorchester*), Forrestall, Horner (*The Battlefords*), Lachance, Langlois (*Chicoutimi*), Laverdière, Legault, Loiselle, Neveu, Peters, Richard, Smith—(13).

Also present: Mr. Frank Howard, M.P.

In attendance: Mr. Robert Stanbury, M.P., sponsor of Bill S-26, Mr. Fraser M. Fell, Q.C., Parliamentary Agent, Mr. R. Humphrys, Superintendent of Insurance and Mr. M. Kenny, President, Excelsior Life Insurance Company,

The Committee proceeded to the consideration of Bill S-26, An Act respecting The Excelsior Life Insurance Company.

The Chairman called the Preamble and asked Mr. Stanbury to introduce the Parliamentary Agent.

Mr. Fell explained the purpose of the Bill.

The Committee proceeded to the examination of the witnesses.

At 2.30 o'clock p.m., the questioning of the witnesses continuing, the Chairman adjourned the Committee to the call of the Chair.

THURSDAY, February 23, 1967.

(6)

The Standing Committee on Miscellaneous Private Bills having been duly called to meet at 1:30 o'clock p.m., the following members were present: Messrs. Loiselle, Clermont, Fairweather, Forrestall, Howard, Langlois (*Chicoutimi*), Laverdière, Legault and Neveu—(9).

Also present: Mr. Raymond Langlois, M.P. (*Mégantic*).

In attendance: Mr. Fraser M. Fell, Q.C., Parliamentary Agent, Mr. Kenny, President of the Excelsior Life Insurance Company and Mr. R. Humphrys, Superintendent of Insurance.

At 2.20 o'clock p.m., there being no quorum, the Chairman, Mr. Loiselle, postponed the meeting to the call of the Chair.

THURSDAY, March 2, 1967.

(7)

The Standing Committee on Miscellaneous Private Bills met this day at 1:35 o'clock p.m. The Chairman, Mr. Loiselle, presided.

Members present: Messrs. Clermont, Forrestall, Gundlock, Lachance, Langlois (*Chicoutimi*), Laverdière, Legault, Lessard, Loiselle, Neveu, Ormiston, Peters, Richard, Smith, Stanbury, Tardif, Webb, Whelan (18).

In attendance: Mr. Fraser M. Fell, Q.C., Parliamentary Agent; Mr. Morgan Crockford, Vice-President and Secretary, Excelsior Life Insurance Company; and Mr. Humphrys, Superintendent of Insurance.

The Committee resumed consideration of Bill S-26, An Act respecting The Excelsior Life Insurance Company.

The Chairman called the Preamble and the Committee proceeded to the questioning of the witnesses.

The Preamble carried.

Clause 1 carried.

On Clause 2

Mr. Peters suggested the following motion:

That Clause 2 be amended in line 17 by adding, after the word "thereto" the following:

"excepting that the provisions of Section 16F(2) and 16F(3) of the Canadian and British Insurance Companies Act shall not apply to the Company beyond the 31st day of December, 1971."

There being no seconder, the motion was not proceeded with.

Clauses 2 to 9 inclusive were adopted.

The Title carried.

The Bill carried.

It was *agreed*,—That the Chairman report Bill S-26, without amendment, as the Committee's FOURTH REPORT to the House.

At 2:10 o'clock p.m., the Chairman adjourned the Committee to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

TUESDAY, February 14, 1967.

The CHAIRMAN: Good afternoon, gentlemen.

I have had word from my office that other members will be coming to the Committee and I believe Mr. Forrestall has had the same word about members of his party, so if there is no objection I think we will proceed with the study of the bill.

I should now like to present to you our witnesses for today. First we have Mr. Humphrys, the Superintendent, Department of Insurance, Ottawa; next we have the President of the Excelsior Life Insurance Company, Mr. Kenny and the Parliamentary Agent, Mr. Fell. Mr. Stanbury is the sponsor of this bill and I am sure everyone knows him.

Before us today is Bill No. S-26, an Act Respecting the Excelsior Life Insurance Company. Would you like to say something now, Mr. Stanbury?

On the preamble.

Mr. STANBURY: Mr. Chairman, before you hear from the witnesses, I would like to say that when the bill was being debated on second reading in the house, I think it was Mr. Howard who asked me whether or not there was any foreign control of this company and I said that as far as I knew there was not. Since then, I have been informed that there is a substantial interest in this company held by an American insurance firm. I have mentioned this to Mr. Howard, but I just wanted to mention it for the record. I am sure the witnesses will give the Committee any details of this which the Committee would like.

The CHAIRMAN: Thank you, Mr. Stanbury. In order to have the minds of the members clear on the bill, I would like to ask Mr. Humphrys if his department is satisfied with the bill the way it is presented now and if it meets your requirements?

Mr. R. HUMPHRYS (*Superintendent, Department of Insurance*): Yes, Mr. Chairman. We have discussed this bill with the company and the department has no objection to it. Do you wish me to explain its nature, Mr. Chairman?

The CHAIRMAN: No, I think members could ask questions on it.

Mr. LEGAULT: Mr. Chairman, I think it would be worth while if Mr. Humphrys could sum it up and explain exactly what is intended with the bill.

The CHAIRMAN: You may proceed, Mr. Humphrys.

Mr. HUMPHRYS: Mr. Chairman, this company, namely the Excelsior Life Insurance Company, as has been mentioned in the house on second reading, is now an Ontario company. It was incorporated in 1889, by letters patent in Ontario. Since 1897, it has been registered under the federal insurance laws and has been supervised by the federal insurance department, but as a provincial company. Therefore it had its powers under provincial legislation, but it had

voluntarily made itself subject to the federal insurance acts and the supervision of the federal insurance department.

The federal insurance acts could impose certain restrictions on it, in the sense that the company voluntarily agreed to comply with the federal law, but the federal parliament could not grant any powers to the company, since it drew its powers from the provincial legislature. It could operate within its provincial powers, really the narrower of its provincial powers, or the restrictions that might be imposed by the federal statute. But if the federal statute were changed to expand the powers of federal companies, this did not necessarily expand the powers of the Excelsior Life, because they still had to live within whatever powers it drew from the provincial legislation.

Now, over the years this has created a certain number of difficulties for the company, and I might just illustrate a recent one.

In 1965, the federal insurance act was amended to permit companies to invest in mortgage loans up to 75 per cent of the value of the property. It was formerly two-thirds; then it was raised to 75 per cent. So all the federal companies could take advantage of that right away, but the Excelsior Life could not, because the provincial legislation still restricted it to a limited two-thirds of the value of the property. The company then had to wait until the provincial legislation was amended to give it the same powers. The company has, for many years, done a nation-wide business; it is one of the major companies and has been under federal supervision, but it has always been under this particular disability as far as granting additional powers and amendments to the federal legislation are concerned.

There have been other minor difficulties in having to comply with the two sets of legislation which federally incorporated companies were less hampered by. This bill is intended to really change the corporate status of the company from that of a provincially incorporated company to that of a federal company.

Now, I am sure members will be familiar with this type of transaction, because over the years, many cases have been before parliament of converting a provincially incorporated insurance company to a federal company. The procedure that has usually been followed has been the incorporation of a new federal company with power to take over, by agreement, the business of the provincial company and then to continue under federal jurisdiction. That has been the traditional pattern; but that pattern has not been followed here, because this is a much bigger company than those that we have dealt with in this other pattern.

The problem of transferring all of the business, and all of the contracts, and all of the investments from one corporate entity to another, is quite formidable. It involves the expense of security transfer tax, re-registering mortgage loans, notifying all policy holders and a lot of legal technicalities that would be necessary if you have two separate corporations and things that are of no possible interest to the policyholders, because as far as they are concerned, it is the same company with the same management, with the same name and the same identity.

This proposal then, in this bill, is to ask parliament to enact legislation that will continue the existing corporation as if it were a company incorporated by special act of parliament and thereafter to make it subject to the federal legislation in all respects, as a federally incorporated company. This has been

accompanied by an act of the legislature of Ontario saying that they grant this company authority to apply to parliament for this action and stating that if this bill is approved by parliament, then as soon as notice of approval is filed with the provincial authorities, the provincial act in effect transfers the company to federal jurisdiction and states that the provincial Corporations Act no longer applies to the company. Therefore, this will have the effect of transferring this corporate entity to federal jurisdiction without any break in the corporate existence and with a minimum of legal technicalities with respect to transferring assets, business and liabilities.

The CHAIRMAN: Is that all, sir?

Mr. HUMPHRYS: That is all, Mr. Chairman, except to say that we have supervised this company since 1897; we are well acquainted with it; it is a strong and important life insurance company in Canada, and has a long history in Canada. Control of the company rests in the United States with a major life insurance company, but it operates as a separate company under the management of staff in Canada and it will be subject to the federal insurance laws, if this bill goes through, which would require a majority of the directors at all times to be Canadian citizens, resident in Canada and make it subject to this act in all respects.

Mr. CLERMONT: Mr. Humphrys, when you say that this company is controlled by foreign capital, what percentage would that be, 55 per cent, 75 per cent, 100 per cent?

The CHAIRMAN: Perhaps Mr. Fell could answer that.

Mr. Fraser M. FELL, Q.C. (*Parliamentary Agent*): Mr. Chairman and hon. members, perhaps I could speak to this point which was raised on second reading in the House of Commons. The company is controlled by the Etna Life Insurance Company of the United States which now owns 70.9 per cent of issued shares of Excelsior. Altogether there are 97 shareholders resident in Canada holding 24.2 per cent and the remaining shares are held by Etna and United States shareholders. Etna is one of the largest stock life insurance companies in the United States. It is licensed in all states of the union and has been doing business in Canada for over 100 years.

Mr. CLERMONT: Under its own name?

Mr. FELL: Yes; that is longer than any other American life insurance company. Etna now has life insurance in force in excess of \$36 billion and its assets are in excess of 5½ billion. Now, at the time of acquisition of its controlling interest in 1960, it was declared by Etna that there would be no change in the management, personnel or practices of Excelsior and that Excelsior would continue as an autonomous Canadian operation, managed and operated by and for Canadians. Perhaps the following will attest to the validity of these declarations.

Since 1960, Excelsior has continued to conduct its business and expand its operations under the same Canadian management. The area in which the affiliation has proved perhaps most beneficial to the Canadian company is the representation of the Chairman, the President and a senior Vice President and Treasurer of Etna on the Excelsior Board of Directors. Excelsior has a board of 12 directors, of whom nine are resident in Canada. The constitution of the board, therefore, complies with the existing provisions in section 6 of the Canadian and

British Insurance Companies Act and under which a majority of all directors of the company, and of the shareholders' directors, must be Canadian residents.

Excelsior would also meet the proposed three quarter Canadian resident director test, which is set forth in Bill No. C-222.

Since 1960, Excelsior has experienced greatly accelerated growth and expansion in Canada and has also acquired a substantial volume of Canadian business originally written by Etna. Excelsior has not made any loans to or borrowed any money from Etna, and the invested assets of Excelsior, which now exceed \$135 million are invested almost exclusively in Canadian assets. Less than one tenth of one per cent of the company's invested assets are invested in United States and foreign securities.

Mr. CLERMONT: Mr. Fell, you said that Etna bought the control in 1960. Do you have the assets of Excelsior Life in 1960 and in 1966, or the last figures?

Mr. FELL: I think the chairman of the company, Mr. Kenny, could answer that.

Mr. M. KENNY (*President, Excelsior Life Insurance Company, Toronto*): The total assets in 1960 were \$116,770,000. At the end of this year, 1966 they will be just over \$180 million.

Mr. CLERMONT: Mr. Humphrys, what year did this company voluntarily decide to come under the provisions of your department?

Mr. HUMPHRYS: In 1897.

Mr. CLERMONT: In 1897, and what was the reason, if there was one?

Mr. HUMPHRYS: Because it became subject to federal supervision.

Mr. CLERMONT: Voluntarily, because of better protection for the public?

Mr. HUMPHRYS: I think there would have been a number of reasons. The federal insurance department—the superintendent of insurance—was first appointed federally in 1875. Federal supervision of insurance was started far earlier federally than it was provincially, so that over the years there has been a much stronger and more extensive staff of federal supervision than has been the case provincially. And it was thought, too, in those years, that a provincially incorporated company, to transact business outside of its province of incorporation, needed federal licensing or federal authority of some type, and this would have been a factor in those days, also. Subsequent legal decisions in that respect changed the picture somewhat as respects the powers of provincial companies. But in those days any insurance company that wanted to do a nation-wide business sought federal incorporation or federal licensing.

Mr. CLERMONT: Was this the first time of such a case or was there a precedent?

Mr. HUMPHRYS: There are others; this is one of five provincially incorporated life insurance companies that are registered under the federal insurance companies act.

Mr. CLERMONT: What I meant, Mr. Humphrys, is the way that Bill No. S-26 was drawn?

Mr. HUMPHRYS: There is no precedent for life insurance companies, but there is a partial precedent in some trust and loan companies. In recent years there have been some amalgamations of a federal trust company and a provincial trust company, and the federal act authorizing this amalgamation has stated that

the amalgamated company is continued as if it were a company incorporated by special act.

Mr. CLERMONT: Is it acceptable to our Justice Department?

Mr. HUMPHRYS: Yes, I discussed this with great care with officials of the Department of Justice to be sure that this approach would be legally supportable, and they have agreed that it is.

Mr. CLERMONT: They do not see any objection?

Mr. HUMPHRYS: No.

The CHAIRMAN: Are there any further questions?

Mr. LEGAULT: To sum it up, do I understand that since 1889 this company has been subject to the federal regulation and restricted to the provincial act since 1889?

Mr. HUMPHRYS: Yes, since 1889.

Mr. LEGAULT: When you say subject to, this means with all the protection given to the insured people?

Mr. HUMPHRYS: Yes sir.

The CHAIRMAN: Are there any further questions?

Mr. HOWARD: Mr. Fell, I understood you to make some reference to it being the intention of the company to comply with the provision for three quarters of something or other, as is contained in bill—and I did not get the number either. Could you tell me what this is that you are getting at?

Mr. FELL: Mr. Chairman, I think reference was made by one speaker on second reading in the House of Commons to the proposed Bill No. C-222, and the requirement in that bill which relates to banking, that three quarters of the board of directors be resident in Canada. There was some suggestion that perhaps similar legislation should extend to other financial companies, and my only comment was that if such extension was made, this company would still comply.

Mr. HOWARD: I would imagine so. Yes, I did not realize just what you were getting at. Would you have any objection to extending that three quarters principle to the bill that we are now considering and paving the way for this to become public law at some time?

Mr. FELL: Mr. Chairman, and honourable members, I feel that parliament may, in its wisdom, decide to change the existing law relating to insurance companies or trust companies or banks. But if this should be a change in the general law to impose a restriction in one particular company's charter, it would be prejudicial, I would suggest.

The CHAIRMAN: I do not know whether I understood Mr. Howard's question. So far the bill before us is complying with the request of the government. You were asking if the company would accept to go a little further. You were asking for an opinion of the adviser of the company, and he said they would comply with anything the government asked.

Mr. HOWARD: I understood that, Mr. Chairman.

The CHAIRMAN: Were you asking him to comply right away, further than what the government is asking?

Mr. HOWARD: Well,—

Mr. PETERS: They do not have any alternative, if the bill is passed life insurance companies either comply or they will not be a federal company.

Mr. HOWARD: There is no question about the answer to the first question. I was simply asking what would be the position of the company with respect to altering the bill currently before us relative to the three quarters test, and I understood the answer quite clearly. Mr. Humphrys, could I ask you about the requirements of our public law. When you refer to the insurance companies act, is that the Canadian and British Insurance Companies Act?

Mr. HUMPHRYS: Yes.

Mr. HOWARD: What are the requirements of that, or any other public law, about Canadian ownership of insurance companies, or of this particular company?

Mr. HUMPHRYS: Well, in 1965, amendments were made to this act, that restricted the transfer of shares to non-residents. The rule adopted was that transfers of shares to non-residents could not be made beyond 25 per cent of the shares of the company, and any one non-resident could not hold more than 10 per cent of the shares. That amendment was made following an announcement by the Minister of Finance in the fall of 1964, that such legislation would be brought in for life insurance companies, trust companies, mortgage loan companies and banks. The legislation relating to insurance companies, trust companies and mortgage loan companies was enacted in 1965. As you know the bank bill is still before parliament. But in enacting that legislation, it was provided that any company that was then owned or controlled by non-residents would be exempt. The exemption was that if more than 50 per cent of the shares of a company were owned by any one non-resident, the company would be exempt from these new rules until that situation ceased to exist. So that if, for example—

Mr. HOWARD: Until the 50 per cent situation altered, or it dropped lower than 50 per cent?

Mr. HUMPHRYS: Yes. The exemption lasts only if more than 50 per cent is owned by one non-resident, so that, in this case, for example, if the Etna Life sold half of its holdings of Excelsior, then the provisions of this act would apply to Excelsior, presuming it becomes a federal company, and then any non-resident holding more 10 per cent of the shares would have no vote. So the exemption was just to recognize situations that then existed, and not to tear them apart.

Mr. HOWARD: This is a hypothetical question. If there was a life insurance company incorporated by private act, as a brand new company, with no previous affiliation, then the Canadian and British Insurance Companies Act would apply?

Mr. HUMPHRYS: Yes.

Mr. HOWARD: But it would not apply to the company currently before us?

Mr. HUMPHRYS: No.

Mr. HOWARD: Unless the conditions are met which you outlined?

Mr. HUMPHRYS: No.

Mr. HOWARD: Would it apply if—

Mr. HUMPHRYS: This particular provision about non-resident ownership.

Mr. HOWARD: Yes, that is what we are talking about. Would the provisions of the Canadian and British Insurance Companies Act apply if this were not a continuation, if the incorporation were done in another way?

Mr. HUMPHRYS: No; the exemption is in favour of a company that had more than 50 per cent of its shares owned by a single non-resident at the date the minister made his announcement, which was in September, 1964, or at the date a company is formed. So that if non-residents came to Canada and wanted to form a Canadian subsidiary—suppose Etna Life, for example, having done business here for 100 years, had decided that instead of buying a Canadian company they would form a Canadian company and transfer the business that they were operating on a branch basis to their new Canadian subsidiary. The new Canadian subsidiary would have been exempt because more than 50 per cent of the shares would be foreign owned from the outset. It would then be up to parliament to decide whether to give it incorporation or not at that time.

Mr. HOWARD: Does the Canadian and British Insurance Companies Act provisions about foreign ownership mean very much?

Mr. HUMPHRYS: Oh, yes indeed, sir. Any existing Canadian company that is not now foreign owned cannot become foreign owned.

Mr. HOWARD: How many of those would there be?

Mr. HUMPHRYS: We have 39 federally incorporated companies, and of these 13 are foreign owned; they are mostly small; the Excelsior is about the biggest that is foreign owned. So that the legislation of 1965 had the effect of stopping any further sales of existing Canadian companies.

Mr. HOWARD: Beyond the 13?

Mr. HUMPHRYS: Yes.

Mr. HOWARD: It would have no application to Excelsior Life Insurance Company regardless of when it was incorporated, unless it were incorporated under the parliament of Canada.

Mr. HUMPHRYS: That is correct, sir.

Mr. HOWARD: It would have no application to companies incorporated or operating purely under provincial legislation?

Mr. HUMPHRYS: That is correct.

The CHAIRMAN: Is that all, Mr. Howard.

Mr. HOWARD: Yes.

Mr. PETERS: Mr. Chairman, I would like to ask when this company transferred its operation from whoever owned it previously. I do not know who owned Excelsior before but they transferred in effect, their ownership to Etna in 1960. They transferred 70 per cent control. Was the department consulted on this, or because it is provincially incorporated it did not involve federal jurisdiction?

Mr. HUMPHRYS: The federal insurance department had no power to interfere with the transaction, but both the companies, having been supervised by the federal department for many years and being well known to us, kept us closely informed as to all the transactions that were taking place. We were thoroughly informed about the whole transaction, and we also obtained the agreement of Etna Life that if they were going to proceed in this way and buy control of the Excelsior Life, that they would discontinue their activities of writing new

business in Canada in direct competition with their own subsidiaries. So the position now is that the Excelsior is doing the business in Canada for itself and really taking over the business that Etna used to do. The Etna does not write individual business in Canada now; it still retains some interest in group business that it wrote some years ago, but gradually that is being transferred to the Excelsior Life as the Excelsior is able to absorb the business.

Mr. PETERS: Well, I am quite sure you are fully aware of what the intentions appear to be in the Bank Act. Are you not of the opinion that what we are creating here by a very backdoor method is completely contrary to what we apparently are trying to do in other instances by a frontdoor approach, in this operation of continuation as a federal company and not a federal re-incorporation? By allowing this company an exemption we may not be able to change it in the future.

Mr. HUMPHRYS: I do not think, Mr. Chairman, it represents any departure in principle from the principles that were laid down by parliament in this act when—

Mr. PETERS: This really is not what I asked you. What I asked you was, knowing what our policy apparently now is in relation to other financial institutions and our desire—

An hon. MEMBER: He knows more than a lot of other people.

Mr. PETERS: Well, I presume there certainly has been enough discussion of it in relation to the Bank Act, that we wish to eliminate it. For instance, in the one bank we gave them a ten-year period in which to divest themselves of their foreign control. I agree we are in a very confused position on that one, but I think our intention is fairly clear with respect to the financial institutions, and this I would presume would be true of life insurance and trust companies because of their role in our national life. What we are really doing is setting this up without asking the companies to do any of the major things they would have to do otherwise. They do not even have to meet the condition of the act as it is now, when we allow this type of re-incorporation. It seems to me what we are doing is not in keeping with the philosophy that is apparently the guiding control in the financial institutions today.

Mr. HUMPHRYS: Mr. Chairman, with respect, I feel that this is wholly consistent with the philosophy that is being implemented, because the announcement that I referred to in the fall of 1964, which led first to the amendment to the insurance trust and loan and now to the amendments to the Bank Act was considered as a piece. It was recognized at the time that there were a number of Canadian life insurance companies that were already owned by foreign interests, or already under foreign control, and parliament specifically said that those situations will be allowed to stand, but we will not permit companies to be sold in the future. Parliament did leave the way open for the incorporation of future companies under foreign control.

The policy there was different for insurance companies and banks, because under our constitution banks can only be incorporated by parliament, but insurance companies can be incorporated provincially and federally. Furthermore, there has been a long tradition of permitting foreign companies to come into Canada and do business on a branch office basis. I think it is reasonable that the way be left open for converting a branch office operation to a subsidiary Canadian company operation, because in many respects we have more control

over a Canadian company doing business in Canada, even if the shares are owned by non-residents, than we have over an insurance operation that is carried on, on a branch basis from the head office of a company outside of Canada.

The picture is different for life insurance than it is for banking because Canadian life insurance companies have a long history of a very large business outside of Canada. Canadian life insurance companies do as much business in the United States as United States companies do in Canada. We have long had a tradition of international exchange in this particular field. I feel that this company, in seeking to change its corporate status from provincial to federal, is really subjecting itself to federal jurisdiction to a much greater extent than is now the case, but it is not obtaining any privileges that it would not have if it had been incorporated as a federal company in 1889.

Mr. PETERS: This may be true, but you will agree the minister's statement made in 1964 indicated almost identical terms to the Bank Act as of today. Now, our political thinking may have changed in the period, but the figures were the same, 25 per cent for foreign control and 10 per cent held in one hand. I would like to ask about the 70 per cent that is held by Etna; is this considered from a legal financial standpoint to be one person?

Mr. HUMPHRYS: Yes.

Mr. PETERS: A company is one person?

Mr. HUMPHRYS: There was a specific exemption for existing cases, and there were several of them in the life insurance field.

Mr. PETERS: Yes, but this would not have applied if you had not arrived at this backdoor way of getting the company under pseudo federal incorporation.

Mr. HUMPHRYS: No, I—

Mr. PETERS: If you came in directly, if they had come directly and been incorporated, if they came for an act for incorporation, this would have applied immediately, would it have not?

Mr. HUMPHRYS: Not if the Etna came and proposed to put up 70 per cent of the capital—they would still have an exemption. As I say, parliament cannot close the door to the incorporation of life insurance companies, and it has not closed the door to foreign companies coming into Canada to do business on a branch office basis. The way was left open for foreign interests to apply for the incorporation of a federal company; whereas the way was not left open in the banking field.

Mr. PETERS: In relation to this board of directors, the Canadian and British Insurance Companies Act says the majority of directors must be Canadians, resident in Canada. Was the thinking at that time related to the amount—this is like Mulligan's stew, one horse and one rabbit—50-50. You have got three directors owning 75 per cent of the company and the other nine representing 25 per cent.

Mr. HUMPHRYS: As directors they have only one vote.

Mr. PETERS: Is this so?

Mr. KENNY: Well, I think, Mr. Chairman, as a further point, that while there are 12 directors, eight of them represent shareholders and four of them represent participating policyholders. Your delusion, let us say, of American directors is

really much greater than that, because you have the Canadian participating policyholders represented by four directors; you have your Canadian shareholders represented by five directors, and you have three American shareholders' directors.

Mr. HUMPHRYS: Our law requires that at least one third of the board of directors be representative of participating policyholders. This will be another restriction that applies to the company if it becomes subject to this act.

Mr. FELL: I think the word the witness wanted to use was "diluted" rather than "delusion".

Mr. KENNY: Pardon me, sir.

The CHAIRMAN: Shall the preamble carry?

Some hon. MEMBERS: Carried.

Mr. PETERS: Mr. Chairman, I am concerned—

The CHAIRMAN: I thought you were finished.

Mr. PETERS:—with the method we have used. I am of the opinion probably that Excelsior has the amount of business that it has, and that difficulties will arise from obtaining this type of transfer; but I think they should be under an obligation in this bill to have that transfer made. I am quite agreeable that they have mortgages outstanding and policies outstanding and that to change that would be asking for an unreasonable expenditure of money for little or no purpose; but as far as I am concerned I would like to see this be their responsibility at some time in the future. I presume even that the company would be interested in making that transfer at some time. Well, I would hope they would be interested in it. I personally would not want to see this company come under the federal government for protection and some of the other things, and at the same time operate in a provincial jurisdiction, and our responsibility be divided in that manner. If they do not want to make the transfer, and the argument was that it was quite a large expenditure of money for legality and the other things, in making this transfer, but eventually we would certainly like to see this, if it is going to be a federal company, incorporated in the normal manner.

While I agree that this is a big company and that this might be a very large transfer, I think a time limit should be set in making this so that eventually this will be out of provincial jurisdiction. I cannot really see any point in the company trying to ride two horses. If they want provincial incorporation, well, then, stay there. If they want federal incorporation, then they should eventually try to get there. I think this can be done as they write new policies, if they put the Company into federal incorporation rather than into provincial, and that the mortgages they issue should also be directed that way so that we can see an end to this very ambiguous situation that, in my opinion, can only lead to difficulty as to the responsibility.

The company will no doubt be able to say, we come under one when we want to, and we come under the other when we want to, and when we are responsible they will not come under either. I would like it much neater than this. Because I am not a lawyer, perhaps I do not explain it very well, but I think we would not want to see this carried on in this way indefinitely.

Mr. FELL: Mr. Chairman, there is no proposed change in the corporate entity of Excelsior and this act is not without precedent. I would refer to you the

amalgamation and continuation of the Canada Permanent and the Toronto General. The Toronto General an Ontario company and Canada Permanent a federal company amalgamated and continued as one company. There was no new incorporation there and the same steps have been taken in other instances; the conversion of a provincial company to a federal company with no new corporate entity created.

In the present instance, if this act is passed, the Ontario act which has already been passed provides that Ontario law will cease to apply. This company is, therefore, subjecting itself to the control and supervision of the federal department of insurance, and of the Canadian and British Insurance Companies Act, and the Ontario Corporations Act, and that all supervision and control of the Ontario Department of Insurance will cease and terminate.

Mr. PETERS: Well, why do you not ask for your State and federal incorporation with the limitation that, and I would be prepared to grant this, after a period of years you would eventually have a full federal incorporation and be subject to whatever limitations that may provide in future.

Mr. FELL: Mr. Chairman, this company will be subject to the Canadian and British Insurance Companies Act as all federal companies are now subject to that act. If parliament in its wisdom sees fit to amend the Canadian and British Insurance Companies Act, imposing new regulations or restrictions, then this company will be bound.

Mr. PETERS: Yes, I agree it will be bound under the terms of the Canadian and British Insurance Companies Act, but I see no reason why it does not become a fully operated federal company.

Mr. FELL: It will be just that, Mr. Chairman.

Mr. HUMPHRYS: This is the purpose that we are trying to accomplish by this legislation, to make it fully and completely a federal company.

Mr. CLERMONT: Mr. Chairman, I should like to ask Mr. Humphrys, is there any regulation in the provincial field about foreign capital; that is, if any foreign capital wants to start an insurance company in Ontario, are they limited to percentage, or not?

Mr. HUMPHRYS: No; I do not think they are.

The CHAIRMAN: Shall the preamble carry?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Shall clause 1 carry?

Mr. HOWARD: Mr. Chairman, I am not on the Committee and I do not want to hinder what you are trying to do, but I think what Mr. Peters is getting at is this, the act now, as changed in 1964 or 1965, says in effect that an insurance company cannot be foreign owned, cannot have more than 25 per cent—

Mr. HUMPHRYS: Existing companies cannot perhaps—

Mr. HOWARD: Yes, unless you were owned before—

Mr. HUMPHRYS: Yes, unless you were foreign owned at the outset.

Mr. HOWARD: —and unless the ownership dropped to below 50 per cent. I think what Mr. Peters is getting at is that this, in a sense, is inconsistent with the provisions of the Bank bill, which says that banks will only be in existence for ten years and then you have to start all over again. The Bank Act is revised so

the charters have to be extended and so on. There is a regular parliamentary review of the situation applying to banks. I think what Mr. Peters is getting at, if I got it correctly when conversing with him privately, is that what we should do is apply that principle because it is the same. We should apply the principle of the Bank Act to insurance companies; that is, if the intention of the government means anything, namely, the intention to have as large a degree as possible of Canadian ownership especially in the field of companies involved in financing or in insurance, trust and loan companies, that sort of thing. We are in the process of making law now, so we should change it as we are making it. What is suggested is that there is a desire to put a time limit on the matter of foreign ownership. This I think is what the intention was.

Mr. HUMPHRYS: Mr. Chairman, I think that if that should be the government's intention, then I think the place to do it would be in the general law and make it applicable to all companies. However, I think there was a different situation with respect to life insurance companies than there was with respect to banks because we were not in a situation where any banks were foreign controlled except the one, as we know, that has been discussed. We were in a situation where a number of life insurance companies had for many years been foreign controlled, and an exemption was deliberately made for them.

Now, if at some future date the government wants to change that policy and say that these must be unwound, then I think this would be a major and important piece of policy decision which I think should be taken up after this act has been studied rather than taken up in consideration of a private bill. I do not think this company is really securing any privileges that would not have been its own or that would not apply in exactly similar circumstances to a federal company, because it did go under foreign ownership in 1960 before the 1965 amendments were made. I think by moving over and subjected itself more firmly to federal jurisdiction and really cutting off all the provincial control and authority, it is clearing up an uncertainty and untidiness of its present position. If at some future date parliament decides that it will impose a more severe policy of foreign ownership, this company will be affected by it, but if we leave this company as it is, it will not be.

Mr. PETERS: Mr. Chairman, I am still not really sure why we should make whatever change we are making. This is one of the large insurance companies in Canada and whatever decision we make is going to be harder to make retroactive in the case of a company with \$180 million worth of assets than it is going to be in the case of some small company.

An hon. MEMBER: It is a lot easier to make it against a federal corporation than it is against a provincial corporation. That also is the other side of that particular coin.

Mr. PETERS: I am not really sure they are getting an incorporation. I am not really sure that is what they have applied for. They certainly have not done it very directly. I am not sure that they have, because if they had they would have to drop the continuation that they have had and reform and make a transfer of assets as many companies have done this year. They had a provincial company; they get a federal incorporation. We allow them in the bill to make the transfer of all their assets and liabilities from the provincial company, and it ceases to exist as a provincial company, but comes into a federal incorporation with the existing assets and liabilities. I am not saying that we should make them make

this transfer because there is a period of time in which obviously the policies and mortgages will phase themselves out, but I do not think, the way it is worded, we are really going to be establishing a federal company. We will lose the benefits contained in the 1965 changes in the act.

The CHAIRMAN: Just a minute. I just want to bring to the attention of the members that as soon as the second bells ring, we will not be able to continue. If the Committee wants to get through with the bill, we will proceed. Are you satisfied with the explanation?

Mr. PETERS: No, I am not satisfied with the explanation, Mr. Chairman. Perhaps we should have other witnesses, or something, because I think what we are discussing here is a fairly important principle and it is certainly contrary to anything we have handled in the past. It seems to me that—

The CHAIRMAN: What more important witness do you want than Mr. Humphrys, the Superintendent of Insurance for Canada. Do you think anyone else is more important than he, in deciding whether big companies should be allowed or not?

Mr. PETERS: I am not really saying that. I am of the opinion that we should—

The CHAIRMAN: I am sorry, gentlemen, but I shall have to adjourn this meeting until some other date. The meeting is adjourned to the call of the chair.

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, March 2, 1967.

The CHAIRMAN: Most members know about the subject for today. It is Bill No. S-26 an Act respecting the Excelsior Life Insurance Company. For the benefit of the new members who were not present during the last two weeks, we have Mr. Fell the attorney for the company; Mr. Crockford, who is the Vice President of the Excelsior Life Insurance Company and we have Mr. Humphrys the superintendent of the Department of Insurance.

On clause 1—*Continuation under laws of Canada.*

Mr. PETERS: Mr. Chairman, in relation to clause 1, I am still concerned, as I was before with the third line in clause 1 "and shall be deemed to be a company incorporated by special Act of the Parliament of Canada."

It is my opinion that this is not. We can deem it if we want, but it just is not the way that these bills should be incorporated. I have looked over a list of the bills that we have had, and in those bills in clause 1 you have the incorporation of a special act, and in clause 2, you normally have listed the people who own this, and in clause 3 you set out how much money is going to be the capitalization of this company.

In this case we are assuming by those words "and shall be deemed to be a company", we have not previously incorporated this company and it is my opinion that they should be prepared to follow the regular form that we have for making application for federal incorporation. This is not the form.

As I said before, the words—due to the size of the company continue as a federal company and I do not think it is continuation, because as far as I am concerned, it has not been.

The Insurance Act is related to federal control for certain purposes over certain sections of a foreign owned insurance company, but it was not a federal company and it has never been incorporated as a federal company and not as a federally agreed incorporation, so I believe that the Committee should be aware of the fact that we are making quite a departure here by adding in clause 1 the words: "shall be deemed to be a company—"

Mr. ORMISTON: Mr. Chairman, the Insurance Department is satisfied that this clause meets the requirements of the Insurance Act.

Mr. R. HUMPHRYS (*Superintendent, Department of Insurance*): Mr. Chairman, Mr. Peters suggested that this is a bill in a different form from the form we have been accustomed to in transferring provincial companies to federal jurisdiction.

When we were studying this, we took great care to satisfy ourselves that this procedure would be a satisfactory one in the sense that after this legislation is adopted and accompanied as it is by complementary legislation in the province

of Ontario, that the company would be a company that would be completely under the jurisdiction of Parliament, to the same extent as a company that was incorporated from the outset by Parliament and would be subject in all respects to the federal insurance legislation and the jurisdiction of the province would be withdrawn.

Therefore, the company would be left exactly as a federal company. The reason for this rather unusual procedure is that in our traditional procedure where we incorporate a new federal company and have that company enter into an agreement with the provincial company to take over the assets and liabilities.

It involves the transfer of the assets from one corporate entity to another, with the problems that are thrown up in registering mortgages and registering securities in the name of a new corporation, the possible incurrence of taxes over the transfer of securities. It also involves the technical legal problem of transferring the policy contract from one corporate entity to another.

Now where the companies are small, this procedure has been accepted and has worked out and has not involved an undue burden.

But when the companies are large, as is the case of this company, the volume of assets are quite large, the problem of transferring and re-registering is very extensive and the problem of converting the policy contract from one separate corporate entity to another becomes quite onerous. We therefore tried very hard in this approach, to arrive at a procedure which would enable a provincially incorporated insurance company to come under federal jurisdiction and be, in all respects the same as the federal company without getting into the complications of transferring securities, transferring registration, raising new capital temporarily and all the surrounding problems.

We in the department were concerned about it. We discussed it carefully with officers in the Department of Justice who are advising us—well not advising private individuals but advising the department and we are satisfied that this procedure would be fairly satisfactory and much simpler for all concerned.

I would like to add Mr. Chairman, it is not without precedent. We have other cases where we have examples of amalgamation of a federal company and a provincial company and Parliament has said that the amalgamation is continued as a federal corporation and shall be deemed to be a corporation by Parliament.

We also have examples in provincial corporation laws where it is provided that a company may transfer itself from one jurisdiction to another in following a certain procedure. So I think it is not a completely new concept in taking an existing corporate entity and transferring it to a new jurisdiction and prescribing it. In all respects, it shall be as if incorporated in the new jurisdiction from the outside.

Mr. RICHARD: By rights sir, an itinerate corporation you are saying at this time it becomes a federal corporation?

Mr. HUMPHRYS: Yes.

Mr. RICHARD: The fact that it was before and then later there will be a bill in Ontario which will wipe out the Ontario corporation?

Mr. HUMPHRYS: Ontario has already passed an act authorizing this company, a provincial company to apply to Parliament for this legislation and the Ontario

legislation has said that if Parliament adopts this then the Ontario jurisdiction is wiped out and the company is no longer regarded as an Ontario company.

Mr. RICHARD: That is a short-cut that I do not appreciate very much as a lawyer but I am quite ready to take the advice of the Justice Department.

The CHAIRMAN: Mr. Lachance?

Mr. LACHANCE: May I revert to the preamble Mr. Chairman, just for a very small question which I have nothing to do with to much with the bill? I would like to have information. As a matter of information, was the company incorporated under both names, English and French, right from the beginning? No?

Mr. FRASER M. FELL, Q.C. (*Parliamentary Agent*): Mr. Chairman and hon. members, the company was incorporated with the English name and subsequently applied for and obtained the French equivalent.

Mr. LACHANCE: When was that?

Mr. FELL: The French name was acquired three or four years ago?

Mr. MORGAN CROCKFORD (*Vice President and Secretary, Excelsior Life Insurance Co., Toronto*): No. More than that, I would say, about 10 years ago. I do not have the exact date with me. In Ontario. There is by supplementary letters patent in Ontario to give us the French equivalent for use in all our documents and contracts.

Mr. PETERS: Could I ask Mr. Humphrys, now that we have done this, if we do it for one company, is this not going to be in effect the change in the format of the establishment of a private company before you in the Senate for all companies that are transferring jurisdiction from provincial to federal jurisdiction?

Mr. HUMPHRYS: I think it might well be a precedent Mr. Peters.

Mr. PETERS: What would be the point in one of these other companies and I looked at the next four or five we have that are transferring where they are willing to come to Parliament and ask for an incorporation and in doing this establish their provisional officers of that company, establish that fund to get the company in operation with the limitations that go with it and if they can do this where right in the first section it shall be deemed to be a company then we have changed the— Have we not eliminated in your opinion a great deal of the responsibility that Members have to ascertain who they are giving this charter to really?

Mr. HUMPHRYS: I did not so regard it to, Mr. Peters, because we would exercise exactly the same care as we do now in looking into the background of the people who are concerned.

Mr. PETERS: Do you know who owns this company?

Mr. HUMPHRYS: Yes. We have supervised this company, of course, for sixty years now so that is a company that has been registered.

Mr. PETERS: But we as Members of the Senate or Members of the House of Commons in passing this as legislation have no idea who the company is. I am told that this is a totally owned American company. No shareholders in Canada—

Mr. HUMPHRYS: About 70 percent of the shares are owned by—

Mr. PETERS: We eliminate this opportunity of examining—I do not say that they—I think that what is happening is that we are changing the format and I think that if I was the president of a company I would never come before us

again with a bill that involves the establishment of a new company if I should have it deemed instead of having a provincial charter to have a federal charter, since we have eliminated—what the senate,—if not the House of Commons always considered to be the right of establishing the responsibility of the people named in the provisional offices as to having or being worthy of having the right to establish this business under federal jurisdiction.

The point I am making is by doing this we are eliminating and we are actually eliminating—now maybe the inspector can tell me this—but we appear to be eliminating the whole inquiry into who those people are. Now let me use an example. Maybe I am wrong but—

Mr. HUMPHRYS: We can do that right here.

Mr. PETERS: We can do that right here and now.

Mr. HUMPHRYS: All you need are the witnesses.

Mr. PETERS: But it is now in the bill. It has nothing to do with the bill.

Mr. HUMPHRYS: That is what the hearing is for.

Mr. PETERS: Let us use an example. Company A has an Ontario charter and it is operated inside of the provinces under the provincial charters, as one such company we had the other day operated in the ten provinces with an Ontario charter. The department has no control over that because they were a Canadian company, therefore, they do not come under part 4 or part 9 which—no, it is part 3 I guess of the act which allows the department to supervise them, in fact it makes it mandatory under the Canadian and British Insurance Companies Act to administer foreign owned companies but not Canadian owned ones.

Without our supervision over a period of time makes this type of transfer in this manner then it would be possible for them to come before us for incorporation without you being able to say to the Committee, "I know these people and I have supervised them for a period of years and I know what their operation is".

What I am suggesting is that if we endorse this type of format, not because of this company, but because of the fact that no company in their right mind would go through the unnecessary preliminaries of establishing a provisional company under federal jurisdiction—if he had one and make the transfer of at least part of their money to allow the original corporation.

Would there not be companies in your opinion that you would not be able to say you would vouch for in this type of incorporation as opposed to—maybe I put it poorly—

Mr. HUMPHRYS: No. I understand your point. Mr. Chairman, I will be happy to comment on that.

First the traditional pattern that Mr. Peters refers to, it is true that we have created a new corporation and listed in it provisional directors—at least incorporators and provisional directors, but where the case has been one of an existing provincial company seeking federal status, the names listed are almost invariably the existing directors of the provincial company. So that we are merely creating, you might say, a provisional company to take over the business of the provincial company but the provisional directors of the new company that we have created have always been the existing directors of the provincial company.

We have always made ourselves acquainted with that company. We have examined the company. We have made ourselves acquainted with its management, with the directors, we have the history of the company to examine before we come ahead and—

Mr. PETERS: Always?

Mr. HUMPHRYS: I would say so, yes, and in this case if this procedure is adopted we still feel that it is giving federal status to the existing company and the management, the directors, the people behind it are no less a matter of concern in this procedure than they would be in the other.

Now it is true that the names are not listed here, but it is an existing company. We do know it and the names are public in our reports or in other reports of this company and we can make them known to the Committees if they so desire.

In this case, since the company has been federally supervised by our department since before the turn of the century and we are thoroughly well acquainted with the management and history of the company, it becomes primarily a legal, a question of searching for a technical procedure to bring it completely within federal jurisdiction instead of only partly as it is now.

Mr. ORMISTON: Are the federal regulations as difficult as the provincial?

Mr. HUMPHRYS: I would say so, yes.

Mr. ORMISTON: Well, does not a company have to then perform a higher standard of—exhibit a higher standard of performance when registered under federal charter?

Mr. TARDIF: I am wondering if a company makes a demand for registration for a federal charter if they pay a fee on the amount of capital that they invest and if they do is there a fee attached to that to the federal government? Do they have to pay a fee?

The CHAIRMAN: Well the Parliamentary fee is for a private bill.

Mr. TARDIF: For incorporation of a company there is. In this case are they going to pay the fee? Do you know how much the fee is, Mr. Chairman?

Mr. FELL: Mr. Chairman, \$200 is the fee which is equivalent to the capitalization.

Mr. TARDIF: \$200 did you say? Would that be the same fee if it was a brand new company that was not established yet?

The CHAIRMAN: I think the answer to that is—

Mr. HUMPHRYS: The fee on the basis of the capitalization is the same.

Mr. TARDIF: And this is the original capitalization. I guess they have a lot more capital now than they had then but the fee is based on this figure?

Mr. HUMPHRYS: The same as in an ordinary type of private bill it is based on the capital. All of these transactions where the provincial company has sought a federal company—the new federal company is always at the same capital as was in the provincial company.

Mr. TARDIF: There is no adjustment made even if this is 60 years old?

Mr. WHELAN: Where does the fee go to?

Mr. HUMPHRYS: Parliament.

Mr. WHELAN: Does it go to Parliament or does it go to the National Treasury?

Mr. HUMPHRYS: The fee is collected by Parliament. I would presume it would go to the consolidated revenue fund.

Mr. WHELAN: It used to stay for Parliament. It used to be the right of Parliament to use this for the operation of Parliament but they have lost all that.

Mr. TARDIF: Mr. Chairman, the fee that is being charged now is under federal treasury on their original capitalization.

Mr. FELL: Concerning their present capital stock.

Mr. TARDIF: This is the original one. There has been no change.

Mr. LACHANCE: A supplementary question. The fee on the incorporation of a \$500,000 company is only \$200?

Mr. HUMPHRYS: It is up to Parliament, Mr. Chairman, I do not have the scale of fees. It is not something that the department determines.

Mr. LACHANCE: I am surprised that the fee for incorporation of a company of \$500,000 is only \$200?

The CHAIRMAN: It is a straight fee.

Mr. SMITH: You used the word precedent in your discussions a few minutes ago. I think different people have different meanings of precedent. This private bill does not create any precedent which binds subsequent parliamentary committees. Does it?

Mr. HUMPHRYS: Not as far as I know.

Mr. SMITH: It might be a precedent in the sense that it gave somebody the idea to follow the same course, but it would not have any binding effect on the Committee that next heard this? Is that right?

Mr. HUMPHRYS: Mr. Chairman, there is one point that Mr. Peters has raised that I did not answer and that is that this procedure will only work if the company goes to its provincial legislature and get complementary legislation.

The other procedure that has been followed involves the creation of a federal company and then a private agreement between the federal company and the provincial company transferring the assets and liabilities. But the provincial company as a corporate entity then is left on the shelf.

This system only works if the company concerned will go ahead and get complementary legislation.

You have to get two private bills—one provincial and one federal. I think a company would only do it if the volume of business were such that it was an important matter.

Mr. PETERS: Are there not some insurance companies that are not supervised by federal jurisdiction? As I understand it, it is possible to happen in a number of ways. You have to supervise all federally incorporated companies; you also have to supervise all foreign-owned insurance companies except those that fall under the terms of the Canada and British insurance acts.

Mr. HUMPHRYS: We supervise all companies that have been incorporated outside of Canada and that are doing business in Canada on a branch basis.

Mr. PETERS: Is this a branch operation that we have in Canada?

Mr. HUMPHRYS: There are external companies that do business in Canada on a branch basis. We supervise those.

We supervise companies incorporated by parliament and we supervise provincially incorporated companies if they voluntarily seek registration under the federal acts. But there still are some provincial companies that we do not supervise and some of them are coming to seek federal incorporation. They will put themselves under our supervision.

Mr. PETERS: What has been done about the transfer of assets and liabilities.

Mr. HUMPHRYS: It does not change its corporate entity. It is registered under our acts for our supervision but as a provincial company.

Mr. PETERS: Now that they have a private bill in Ontario what does this state?

Mr. HUMPHRYS: It authorizes a company to come to parliament to seek the adoption of this legislation to transfer the company from provincial legislation to the jurisdiction of Parliament.

Mr. PETERS: I hold a mortgage—we will say—with Excelsior Life as a provincial identity. The identity will cease as of a specific date. Under this procedure the company does not have to come to me and re-write the mortgage?

Mr. HUMPHRYS: The identity of the corporation is continuous but it transfers from one jurisdiction to another.

The CHAIRMAN: The question was raised earlier with respect to the fees of \$200. In the Standing Order 94 of Beauchesne's it states under (3)(f):

I am sorry it is under (3)(e)

(e) When the proposed Capital Stock of a Company is over \$250,000 and does not exceed \$500,000—\$200.00.

We have all the proportions here. Of course, it is subject to revision. We will have to check this later on.

Mr. LACHANCE: You are referring to the fees of this bill.

The CHAIRMAN: There are no fees paid to get a charter.

Mr. LACHANCE: The question I was asking the gentleman here is what is the fee of an incorporation—a federal incorporation—after \$500,000? I mean a regular company.

The CHAIRMAN: Shall Clause 1 carry?

Mr. PETERS: Mr. Chairman, I think the fact that someone has said—Mr. Smith has said this is not setting a precedent and I agree. But I do think before we change our format in the Senate—we have mentioned the scale of fees—we do set out a format that the companies are supposed to observe when they are making application for incorporation. They have not done that in this instance.

Before this becomes a precedent I think the Private Miscellaneous Bills Committee should have a real close look at the complications that are taking place. While this may be a highly desirable thing it has certainly changed it from something we have done before.

The precedent that will be established is the fact that the Senate has allowed them to make the application under that section of Beauchesne's in a different manner than it has been made before. I am not smart enough to know whether I am violently opposed to it but I do think it leaves itself open to a change that we have not had before.

I think the fact that the inspector has been interested in this too should be duly noted by the members before they allow this to be an established precedent of formation in this type of transfers.

The CHAIRMAN: I am not qualified to discuss the legal point of it but it was explained by Mr. Humphrys they have supervised the company for over 60 years and so far they are satisfied with the things they ask. They have complied with all requests of the department.

Mr. PETERS: Mr. Chairman, I do not really care if the inspector had said this is a good company or a bad company so far as the point I am making. Are we going to incorporate the company because of his report or are we going to incorporate it because this is a private bill and we are facing it as a private bill?

I agree his report is going to carry a great deal of weight with us but that is really not what you do when you apply for an incorporation. You cannot be assured of the inspector general's—the company should not be assured of his report before it comes to this Committee.

I am not holding out on it but I just think the Committee should really consider this before it is extended to all the companies that make this transfer.

The CHAIRMAN: Mr. Lachance, on that point of precedence?

Mr. LACHANCE: I do not think we are prevented from asking whatever questions we want to regarding this bill. If we want to question the witnesses on the names of the incorporators or whatever exists under the provincial regulations I do not think that will prevent the Committee members to get all the questions and answers that they like.

Even if we pass this bill I do not it causes any impeachment for future bills. We can ask all the questions we want.

Mr. PETERS: My point only flows from words: "shall be deemed to be a company." This is really not the incorporation of a company it is a legality for a transfer of provincial ownership to a federal ownership without really establishing a company in the sense that we have previously established them.

Mr. Chairman, there are five bills on the order paper. I have checked them all and they do not fall into this category.

The CHAIRMAN: It will be the privilege of the Committee to accept or refuse bill after bill.

Mr. WHELAN: I would just like to make one comment. I think if all of our companies were handled in the same fashion as this one is being handled before the Committee—or the principle that is that exists here—where it becomes complete federal jurisdiction where you do not have some companies under provincial and federal—I think this should be a thing we should be working towards in the hope that all our companies will come under federal jurisdiction.

The CHAIRMAN: On that question of precedence I think Mr. Fell has something to say.

Mr. FELL: Mr. Chairman and members of the Committee, there are precedents for this idea of deeming a company to be continuous as a federal company. One instance is the recent amalgamation and continuation as a federal company of the Toronto General Trust Corporation and the Canada Permanent Trust Company.

There are instances of the continuation of provincial companies in different forms by federal law. There was the conversion and continuation of the Co-Operative Fire and Casualty Company in 1963; the amalgamation and continuation of the Canadian Indemnity Company in 1962.

Mr. PETERS: Conversions—were they somewhat the same as this?

Mr. FELL: Yes, they were, Mr. Peters.

The CHAIRMAN: Shall Clause 1 carry?

Some hon. MEMBERS: Agreed.

Clause 1 agreed to.

On Clause 2—*Powers privileges and liabilities.*

Mr. PETERS: I have an amendment I would like to make with respect to clause 2. Clause 2, line 17 I would like to add after the word "thereto" the following:

excepting that the provisions of Section 16F. (2) and 16F. (3) of the Canadian and British Insurance Companies Act shall not apply to the company beyond the 31st day of December, 1971.

The section of the act to which I am referring says:

Exception for non-resident ownership of company. 16F. (2) Where more than fifty per cent of the issued and outstanding shares of the capital stock of a life company are held in the name or right of or for the use or benefit of one non-resident.

- (a) at the commencement of the prescribed day, in the case of a life company incorporated before that day, and
- (b) on the day of commencement of the first general meeting of the shareholders of the company, in the case of a life company incorporated on or after the prescribed day,

sections 16C to 16E do not apply to or in respect of that company; but if at any time thereafter there is no one non-resident in whose name or right or for whose use or benefit more than fifty per cent of the issued and outstanding shares of the capital stock of the life company are held, those sections apply from and after that time to and in respect of that company.

The CHAIRMAN: Gentlemen, excuse me. Before we start discussion on that I will read the amendment. The amendment reads as follows after the word "thereto":

excepting that the provisions of Section 16F(2) and 16F(3) of the Canadian and British Insurance Companies Act shall not apply to the company beyond the 31st day of December, 1971.

May we have a seconder for the motion? I am told that we need a seconder on the motion.

An hon. MEMBER: I do not know enough about the whole thing to—

Mr. PETERS: The purpose of this is to apply the same type of thinking that has been applied to the thinking of the banking legislation that we now have.

After a certain date the control of this company will be in the hands of Canadian residents. I think probably Mr. Humphrys probably could explain

what the sections to be exempted—sections 16C to 16E—really refer to and the exception that is being made for non-resident companies.

Mr. FELL: Mr. Chairman, Parliament enacted this Section 16 in the 1964-65 session to govern the foreign-ownership of Canadian life insurance companies. This applicant complied to these provisions. The legislation did not attempt to govern foreign control or divest foreign controlled companies before a specified date. This amendment would attempt to change the rules for one company as against 30 or 40 other companies in the same position operating in Canada. I respectfully suggest that it is unfair and discriminatory.

Mr. STANBURY: Mr. Peters could introduce a private members bill to do this for all companies.

Mr. PETERS: The reason I would say it is not discriminatory—we are introducing it because you are in effect saying that you are now being incorporated as federal company which you were not before.

Mr. FELL: Mr. Chairman, the legislation relates to companies which were registered life insurance companies. This company had been a registered life insurance company under the federal act for 60 years. In introducing the legislation in 1965 there was tabled a list of companies to which this section would not apply and this applicant is one of those companies, tabled by the Minister of Finance.

The CHAIRMAN: Anything else on that point before I ask for a seconder for your motion?

Mr. PETERS: No. It is perfectly all right. I will move it in the House. Do not worry about it.

Mr. LACHANCE: I would like to say as Mr. Stanbury said that it is not in the Private Bill that such a clause should be introduced, I do not think so. If a person has a difference of opinion—It is just that I have to receive a motion for the amendment.

Mr. ORMISTON: If you are going to change that section you had better change section 9 at the same time.

The CHAIRMAN: Shall clause 2 carry?

Clauses, 2, 3, 4, 5, 6, 7, 8 and 9 agreed to.

An hon. MEMBER: Would you get us a secretary, we are lost in the clauses.

The CHAIRMAN: We will have to wait until we go to the House.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Gentlemen I am sorry for being late. I have been asking people for the last two weeks to come to the Committee and now, gentlemen, I must thank you, especially when I see some who have just come out of the Committee not too long ago. Thank you gentlemen.

what the sections to be exempted—sections 18C to 18E—really refer to and the exemption that is being made for non-resident companies.

MR. PETER: Mr. Chairman, Parliament enacted this section in the 1964-65 session to govern the foreign ownership of Canadian life insurance companies. This applicant complied to these provisions. The legislation did not attempt to govern foreign control or direct foreign controlled companies before it applied to date. This amendment would attempt to change the rules for companies as against 30 or 40 other companies in the same position operating in Canada. I respectfully suggest that it is unfair and discriminatory.

MR. STANBURY: Mr. Peters could introduce a private members bill to do this for all companies.

MR. PETER: The reason I would say it is not discriminatory—we are introducing it because you are in effect saying that you are now being treated as a federal company which you were not before—and a small amount of money.

MR. FARR: Mr. Chairman, the legislation relates to companies which were registered in the insurance companies. This company had been a registered life insurance company under the 1964 act for 10 years. In introducing the legislation in 1965 there was a list of companies to which this section would not apply and this applicant is one of those companies. I think it is fair to say that this applicant is one of those companies.

THE CHAIRMAN: Another question on the point before I ask for a second reading, your motion.

MR. PETER: No, it is perfectly all right. I will move it in the House. Don't worry about it.

MR. LACHANCE: I would like to say, as Mr. Stanbury said that it is not in the private bill that we are introducing, I do not think so. His person has a different objection—that is, that I have no executive motion for the amendment.

MR. QUINCY: It is going to change that section you had better change section 8 at the same time and one or two other things.

THE CHAIRMAN: Shall I call the bill?

MR. QUINCY: Yes, I would like to see it.

MR. MEXNER: Would you get us a secretary, we are lost in the House.

THE CHAIRMAN: We will have to wait until we go to the House.

THE CHAIRMAN: The bill is ready for second reading. The House will have to wait until we go to the House.

THE CHAIRMAN: Shall I report the bill?

MR. QUINCY: Yes, I would like to see it.

THE CHAIRMAN: Gentlemen, I am sorry for being late. I have been asking people for the last two weeks to come to the Committee and now gentlemen I must thank you especially when I see some who have just come out of the Committee not too long ago. Thank you gentlemen.

THE CHAIRMAN: I am sorry for being late. I have been asking people for the last two weeks to come to the Committee and now gentlemen I must thank you especially when I see some who have just come out of the Committee not too long ago. Thank you gentlemen.

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