

Private Bills

greater and greater control over financial institutions in Canada, and the hon. member for Danforth has said that it would be a good idea to reverse this trend right now.

As I pointed out, the hon. member for Danforth has had the benefit of studying the evidence that was adduced before the committee of the other place. It was the failure on the part of the old Liberal government to look ahead and plan ahead that got us into our present difficulty. After the second world war there was a wave of investment rolling into Canada from the United States. This investment was completely unchecked and unregulated, and when it receded Canada was in trouble because United States capital was largely equity capital. We did not simply borrow the money to develop our resources. We allowed United States investors to get a stranglehold on our key industries, and among them is the financial industry. As a result, in 1961 more than \$700 million in profits and dividends went from Canada to the United States.

As I have said, when this wave of investment receded it resulted in economic disorder in Canada. We found we had no control over many of the industries on which we depended for our livelihood. We found we had no American dollars left with which to meet the commitments that had been made by the Canadian government and Canadian corporations to United States interests. Therefore the hon. member for Danforth has offered an amendment to this bill which will serve notice, here and now, that Canadians intend to have something to say about the future of their own country. I urge all hon. members, and in particular the hon. member for Bonavista-Twillingate and his colleagues in the Liberal party, who are to such a large extent responsible for the fact that Canadians have no control over their own savings, to reconsider the position that was announced a moment ago by the hon. member and support this amendment as heartily as those of us in the New Democratic party.

Mr. R. J. McCleave (Parliamentary Secretary to the Minister of Public Works): If I could speak very briefly on the amendment offered by the hon. member for Danforth I would say that the distinction drawn by the hon. member for Bonavista-Twillingate between a public bill and a private bill is extremely well taken, particularly in a case such as the present one. As he has said, there is ample authority in Beauchesne and other works which help guide us in our deliberations, and it is only after a bill of this nature has received second reading and gone into committee that one can really ascertain what the facts are.

27507-3—136

As I read clause 1 of the bill several gentlemen, all of whom appear to me to be Canadians, will be empowered to be the incorporators of what is called the Allstate Life Insurance Company of Canada. It may be that they have in mind, although we do not know it, setting up a whole board of directors who are not Canadians, but we cannot determine this unless we call these gentlemen before us in committee and cross-examine them as to their intentions. For this reason I suggest that the hon. member is premature in moving the amendment. He can move it in the committee or on third reading in the house, but to bring in a verdict first before hearing the evidence seems to be rather pointless.

Mr. D. S. Macdonald (Rosedale): Mr. Speaker, I should like to address some remarks to the points made by the hon. member for Vancouver-Burrard and the hon. member for Danforth. The hon. member for Danforth, the mover of this motion, has taken the position that we should not permit the incorporation in this country of a corporation which will be controlled by foreign capital. I am sure he is aware that there is a very extensive operation by foreign insurance corporations licensed to carry on business in this country. Therefore this is the first question that must come to the minds of hon. members as a logical extension of the remarks made by the hon. member and his colleague, that foreign corporations licensed to do business in Canada shall not be entitled to do so. One would think that if the question of national control has the importance put on it by the hon. member in this connection, it would be at least preferable that the business should be carried on by an entity incorporated under the laws of this country instead of, as happens in many cases, being carried on by a foreign entity which only obtains licensing under the Canadian and British Insurance Companies Act.

The second objection which would be made is this, as a full, logical extension of the hon. member's remarks. There are a number of very substantial Canadian life insurance companies which have a very large proportion of their business carried on throughout the world, and more particularly in the United States. I would refer hon. members to the very extensive business carried on by the Canada Life Insurance Company in the state of California. A reciprocal application of the doctrine put forward by the hon. member would, I think, result in unfavourable treatment for Canadian corporations under foreign jurisdiction. It should be pointed out that in the case of companies like Manufacturers Life and Canada Life these are not private companies in the sense which is commonly