

*Canadian and British Insurance Act*

Another matter I wish to raise relates to a point of view we have been putting forward for years. I have in mind the treatment of insurance companies which are Canadian and in respect of which no machinery is provided for ensuring that they remain Canadian. If ownership should change, their administration would fall within the provisions of a different act of Parliament. But that act provides no machinery for the encouragement of Canadian ownership. In fact, in the case of large institutions a limitation is imposed upon the extent of Canadian ownership.

I am thinking, now, about ten or twelve of the large companies or groups involved in the insurance business in Canada. These companies are doing \$12 billion worth of business in Canada. This sum represents a large proportion of the expenditure of the nation. Indeed, it would take the federal government, with its huge tax structure, a year to raise that amount of money. The responsibility these companies owe to the nation ought to be a matter of paramount importance to us and should be dealt with in this bill. In my opinion it is not adequately covered.

The day will come when the people will demand that the government become more deeply involved in the insurance field and provide them with basic coverage—coverage which can be augmented by the insurance companies if desired. The accumulation of large sums of this kind ought to be in the hands of the government so that the expenditure of the money would be much more in the interest of the nation than it is in the case of insurance companies.

We have been very fortunate in the two Superintendents of Insurance whom I have known. They have done an admirable job with a very small staff. The fact that we have never experienced an incident in the insurance field such as has been experienced in some of the provinces is mainly due to the competence of the people engaged in the Department of Insurance. We are now throwing on the shoulders of these people a much larger responsibility, one which the Canadian government would be well advised to consider more seriously before this step is finally taken, bearing in mind the needs of the Canadian public over the next 20 years.

**The Acting Speaker (Mr. Béchard):** Order, please. If the minister speaks at this time, he will close the debate.

**Mr. Knowles (Winnipeg North Centre):** On a point of order, Mr. Speaker, there is an

amendment, so the minister is free to speak without closing the debate.

**Mr. John Gilbert (Broadview):** Mr. Speaker, when I spoke this afternoon on the Trust Companies Act, the Minister without Portfolio (Mr. Gray) appeared quite sensitive when I said he was an apologist for the trust companies. I infer this from the remarks he made. I drew attention to the practice of trust companies with regard to their investment in housing. This evening I see in this chamber the Minister without Portfolio in charge of housing (Mr. Andras). I recall the problems he had when he was Minister without Portfolio assisting the Department of Indian Affairs. Here is a minister who is a sincere and dedicated man. He attempted to devote his time and efforts to the problems of Indians. However, he ran into a very strong stone wall in the form of the Prime Minister (Mr. Trudeau) and other ministers. As a result, he was given new responsibilities as minister in charge of housing.

Back in 1968 I drew attention to the difficulties encountered by the then minister of housing, the hon. member for Trinity (Mr. Hellyer) in connection with the amount of money put into housing by insurance companies. In the summer of 1968 he invited the insurance and trust companies to put moneys into housing because of the building slowdown across Canada. There was a refusal by these companies to inject moneys into the housing market. The minister then had to allocate moneys which were earmarked for federal housing into the private housing market.

● (9:20 p.m.)

I am sure the minister now in charge of housing is experiencing a repetition of some of these problems in respect of insurance companies directing part of their investment moneys into the field of housing. Last year there was a serious decline in investment by insurance companies in the housing market. Insurance companies have become quite brazen and outspoken on this matter. They say they are going to direct a good share of their investment moneys into equity. This appears to be their present trend, with a minimum amount directed into housing. When they do direct moneys into housing, they usually direct it into government-insured loans, which means they take no risk whatsoever in respect of money directed into housing.