

Q. Are there any other comparable sources of collected savings?—A. Comparable to insurance companies?

Q. Yes, to the amounts of money that they have to invest?—A. Well, I should think the various savings deposit institutions between them have a greater amount of personal savings left with them than the insurance companies do.

Q. With the exception of the savings deposit companies and the banks, is there any other collecting agency or any other method which has already been set up and effective for collecting from the people such vast amounts of capital?—A. Well, those are the institutions as generally described but, of course, the private individual may subscribe capital directly to industry or most likely not directly but through the medium of an investment dealer who advises him or lets him know what investments he can make and helps him to make them.

Q. But that is far more of a personal risk, though, than a collective risk?—A. Yes.

Q. And I think in your speech you mentioned something about the nature of Canadians generally—that they like to take risks on a collective basis where they just individually risk very little but have the benefits of development rather than taking a risk entirely from an individual standpoint?—A. I did not single Canadians out in that regard. I suggested that with higher taxation and the changing economic conditions you do not find those large individual fortunes being accumulated relatively on the same scale today as you did in earlier periods, that more and more of the personal saving in the country is done in small individual accounts by a large number of individual people and people in those circumstances do not have the same large individual sums of money and cannot afford to take the same risks that perhaps in an earlier day a few individual enterprisers were able to take.

Q. Well, do you think that the difference to the economy generally is pronounced as between one type of investment and another as for, say, supplying capital in the form of preferred shares as against buying government guaranteed bonds or something like that?—A. I think there has to be a proper balance at all times between the different kinds of investment. Partly that would depend on what the enterprises themselves want, whether they want to borrow money or to sell stock and partly on what the investors want to do with their money, whether they are looking for bonds or are prepared to invest in stocks and oil leases and things of that sort.

Mr. MACNAUGHTON: Mr. Chairman, I wonder if I might interject here? It is right along the line of Mr. Hellyer's proposition. I had the advantage of reading the speech by Mr. Coyne this afternoon and trying to bring it down to the points at issue. On page 10, for example, it says:

The only other outlet for personal savings that can be accurately measured is the annual increase of about 200 million dollars in the Canadian reserves of life insurance companies. In round figures, an amount equal to more than 60 per cent of net annual personal saving is placed at the disposal of banks, other savings institutions, and insurance companies.

Then, on page 13:

One of these facts is the dominant role of life insurance companies and chartered banks as repositories for the savings of the Canadian people. As I have already mentioned, funds equal to more than 20 per cent of the total new saving of individuals, farmers and unincorporated businesses are accruing to life insurance companies each year and, if chartered banks are included the proportion is over 60 per cent.

Then, again, on page 14:

The trend, it seems to me, is towards an increasingly important role for life insurance companies and banks in transmuting individuals' saving into productive investment.