

Private Bills

1960 and was then repurchased by this group in 1962.

I commend this bill to hon. members. As we know, it will go to the committee on finance, trade and economic affairs for further discussion where, if members of the committee see fit, witnesses may be examined. However, witnesses have been examined *in extenso* before the committee of the other place and that evidence is available to hon. members.

• (6:10 p.m.)

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have often voiced my misgivings about the incorporation of endless life insurance companies. I may say that my misgivings are increased when we find, as in this case and another case we had, that these life insurance companies are closely connected with other financial institutions such as mutual funds, trust companies and so on. I am particularly concerned at this time, Mr. Speaker, when we are undergoing very severe economic and financial strains in this country, about the investment policies of these private institutions to whom we grant the privilege of collecting the savings of the Canadian people.

As I pointed out the other day, there is right now a considerable outflow of Canadian savings from the country. This raises in my mind, sir, the question of just what effect that has had in promoting and creating the financial and economic difficulties over which the Minister of Finance (Mr. Sharp) is now scratching his head. There is, of course, a very close connection. A great deal of the troubles of the government and the minister stem from the necessity of adjusting domestic policies in the light of our balance of payments problem and because of our idiotic retention of the fixed exchange rate.

Because of our ill-advised agreement with the United States regarding the maintenance of a certain level of exchange reserves, our government and our financial and monetary authorities have very little room to manoeuvre. When on top of that we have a drain of capital from Canada in the form of investment outside the country, then the troubles of the government and the monetary authorities are compounded. I have no intention of trying to stop the second reading of this bill. It will get second reading. However, when the bill is before the committee on finance and economic affairs we should be given a very clear and honest picture of just where these funds are invested. I get somewhat

[Mr. Lambert.]

annoyed when economists tell me, as some of them have been telling me of late, that the level of investment has dropped badly and this has caused our trouble. When the money supply is rising, investment cannot be dropping. It may be changing its locale, and I suspect this is one of the reasons we are in trouble.

It is only two days ago that the *Montreal Gazette* pointed out in an editorial there is now a serious outflow of Canadian capital to the United States. In the opinion of the financial writer for that paper, this is one of the major components of our economic problems at this time. I should like to stress again, Mr. Speaker, what I have stressed in the past, the great danger of allowing this vital function in our economy, the pooling of the savings of the Canadian people, to be left in private hands. I had occasion a few months ago to speak about the investment policy of mutual open end funds with a man who is very closely involved with the investment policy of a large one as an officer of one of the major chartered banks. He was concerned about the investment policy and called it to my attention. He informed me that this could be duplicated right across the board with these trust investment funds. I say, therefore, it is a dangerous principle to allow private individuals to have control of pooling the savings of the Canadian people and deciding where they are going to be invested because direction of investment is another of the factors that creates economic and financial problems for the Canadian government.

I know, of course, that a government such as ours and an official opposition such as we have in this house are both wedded to a doctrinaire view of the economy which abhors the idea of this function being assumed by the public authority. Again I put in my plea which I make periodically, sir, for a complete change of attitude toward the control of the savings of the Canadian people. I urge that parliament should look with a very dubious eye on the continual expansion of the number of life insurance companies in this country. It is a fragmentation of the same pool of savings; you do not increase it at all. It cannot be considered for a moment that this proliferation of life insurance companies is likely to result in cheaper insurance for the policy-holders of Canada. On the other hand, there is every reason to suspect it will increase the cost because you add to the body of personnel who are engaged in selling life insurance policies