

Department of Insurance Act

per cent, instead of up to 15 per cent, of their assets in common shares. The insurance industry has asked for this discretion and the banking commission recommended it, but the practical results remain to be measured.

With freedom to invest up to 15 per cent of their assets in common shares, insurance and other companies have in fact invested only 4 per cent. They have argued that the technical regulations have discouraged such investment, and Mr. Gordon is now easing the regulations. It is possible that this will release substantial sums for investment in industry, but no one would want to see the insurance and trust companies forget that their first rule must be safety and security.

Mr. Gordon is also following the recommendation of the banking commission in raising from 66½ per cent to 75 per cent of value, the money that can be lent on a first mortgage. He is a little behind the times, however, as many companies are already lending 83½ per cent of value on a blend of first and second mortgages at reasonable interest rates.

I believe that this editorial, Mr. Speaker, is typical of the fears in financial circles. I believe the minister must clarify some of these points as we go along in this debate. The minister has said this legislation will release millions of dollars of insurance money for private enterprise, when really he is not making this possible. I have found myself wondering, as I have studied the legislation, if perhaps the minister is not making way for the Canada pension plan which will be a means of channelling off the cream of all the private savings in this country into a huge fund which will be available as social capital to the provincial governments of the country. The fact that this type of saving is going to be channelled off into what can be classified as social capital is certainly something that is going to produce problems. Perhaps the minister believes they can be corrected by this legislation.

Our basic concern with the measure, Mr. Speaker, is simply that, while we agree with the objective, we cannot see how that objective will be reached through the application of the amendments contained in this bill. We will await with much interest further remarks from the minister. We look forward also to the detailed study of this legislation. Obviously, it is going to take considerable time because of the vital importance of it. By way of summary, Mr. Speaker, I might say that the objective is good, but the means by which this objective is going to be reached are things about which we have grave doubts, if we are going to preserve the availability of private capital and the ownership of our Canadian enterprises so that we will be able to go forward not only to make these enterprises Canadian to a larger extent but to provide

[Mr. Thompson.]

the necessary capital which we need for the development of our industry, the development of our resources and the general economy.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I made my initial remarks, on the proposal that is before us this evening, on the night of September 23 when the minister introduced the bill after his statement on motions. At that time I made certain observations on the purposes of this bill, and I think subsequently it has been pretty well clarified that its purposes were as I had indicated. However, on that occasion I had to make certain reservations until such time as I had an opportunity of reading the bill. I must say, Mr. Speaker, that I think my guardian angel must have been with me on that occasion because, having read the bill, all 54 pages of it, I now find it is full of prickly burrs and contains one or more fish hooks.

I was especially amused by the remarks of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), who made quite a play about the stand taken by my hon. friend from Digby-Annapolis-Kings. In so far as the hon. member for Nanaimo-Cowichan-The Islands was concerned, he seemed to think this bill was a mere nibbling away or cautious approach to a problem. All I can say is that if one followed the train of thought in his speech, assuming there was any thought in it, one would conclude that the N.D.P. would go much further, but how far we do not know.

The hon. member was most coy. He hinted at a great nationalistic approach, at a sort of massive take-over of foreign interests in Canadian corporations. He did not limit his view to the bills being amended but dealt with the whole ambit of foreign ownership. He asked, where was the Canadian development fund, and this was the first time I heard that fund was to be used for this purpose. I understand it is to be used for the infusion of funds, accumulated in Canada by the government, into the development of industry, and not for the purposes of patriation of foreign interests.

Then he asked, where was the great fund that was to be accumulated under the Canada pension plan, and said the government might have used that fund in order to return to Canada a greater degree of ownership in our industry and business. Of course we know that the funds which will be accumulated under the Canada pension plan have already been given away to the provinces, and it is clear there was never any thought that they should be made available for this purpose. The hon. member did not tell us where and how far his party would go in this regard,