

Income Tax Act

economic development. This is used as justification for the maintenance of the present policy and pattern whereby there are large inflows of capital into Canada from other countries, particularly the United States.

If we are to achieve an adequate level of development and control by Canadians we must find some way of changing this pattern. The fact is—I think this has been demonstrated quite clearly—that Canada can finance its own economic development; it does have the necessary resources with which to do so, contrary to statements made by some people. However, the life insurance companies are playing a very dangerous and important role in this entire picture by contributing to an outflow of capital from Canada which would otherwise be used in Canada and should remain here to help foster our economic growth and development.

I suggest it is time to stop the abuse of powers, at present enjoyed by life insurance companies, by a very small group of corporate individuals and corporations. I suggest that Canada should control its own economic destiny. The financial wherewithal to bring about economic development is one of the essentials in controlling our destiny. I suggest it is time we stopped the outflow of capital, which is largely contributed to by the life insurance companies, if we are to change the direction of Canadian development and the pattern of the Canadian economy.

I would like to make one or two other comments with respect to the operations of life insurance companies. We have heard it suggested in the past, particularly through the advertising that is put out by life insurance companies—I refer to the very slick ads that we see on television and other news media—that they are the very epitome of efficiency, that they are the bulwark of the nation, that they are the institutions upon which Canadians can depend for their future. I found it very interesting to read a comment made in the *Underwriter News* recently, as quoted in the *Globe and Mail* of April 30, 1969. Mr. Kayler, an official in the life insurance industry, commented as follows:

I submit that the Benson budget will prove to be one of the greatest aids of this century to the growth of the life insurance business... The bulk of the new tax package falls directly upon the life companies, although it will ultimately affect the consumer. Thus, for virtually the first time in Canada, the stark reality of taxation will challenge the top management of the life insurance industry to increase efficiency and develop better ways of serving the buying public.

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He went on to say:

This challenge of the Benson budget could not have come at a better time, because it will force the industry to develop its greatest asset, the energy, skill and creative imagination of its people—

Mr. Benson has done us a favour. This is exactly what we needed to force us to get on the ball and tool up to meet not only the new tax system but all the opportunities that lie before the life insurance business.

I suggest that in this statement a prominent official of the life insurance industry admitted that the industry was not operating at its best, was not operating with the greatest possible degree of efficiency, and that it sees in this legislation no impediment to its continued growth, not for the sake of the policyholders but for the sake of the corporate control which it already exercises over the Canadian economy. In conclusion, Mr. Speaker, I should like to quote from a recent statement by Mr. Poyntz, chairman of the Imperial Life Assurance Company of Canada, as quoted in the *Toronto Star*:

Our money belongs to our policyholders... The tax cannot be paid by anyone else—

He made this statement when referring to the new tax which will be imposed if this measure is passed. I suggest that the principle he enunciated should apply not only to the matter of taxation, but the fact that it is the policyholders' money, the people's money, should be applied to the whole matter of investment policy carried on by insurance companies.

Thus, Mr. Speaker, I suggest the need for a change of direction in the entire structure and operation of the life insurance industry in Canada. As I stated before, I suggest that the life insurance industry needs a public investigation. I suggest it is abusing its position and hurting the Canadian economy. It needs a complete reorganization. I suggest it should be operated as a public utility, the form of which can be worked out in the future. I believe this is a critical problem which requires the urgent attention of all of us, and in particular the government of Canada.

The Acting Speaker (Mr. Béchard): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said amendment?

Some hon. Members: Carried.

Some hon. Members: No.