

Trust Companies Act

The government of course is not looking at the cities at all; it does not even know the cities exist. However, if we look at our cities we find some cities where the quality of life is deteriorating, where things that could be beautiful and exciting are collapsing from vulgarities, from inadequacies in transportation and planning. The private sector will not correct these ills. It is the private sector that created them. If the cities are to have adequate public transportation, if there is to be redevelopment, then it is only through the work of the municipal, provincial and federal governments that this will be accomplished.

Sometimes the justification for all these hundreds of competing institutions is that competition is a good thing. It has been demonstrated that whatever these institutions do with each other, it certainly does not conform to the classic concept of competition.

• (3:20 p.m.)

One trust company raises its rate and it is only a matter of days, sometimes only a matter of hours, until the others follow suit. They are all paying the same amount for the same kinds of things and charging the same amount for the same kinds of things. If you ask them they will say, "That is competition; we have responded to competition." But I have always found it difficult to understand why, when responding to competition, everybody ends up with the same price. It seems to me that the rule of competition is to provide alternatives in price, but the new rules of competition mean that everybody will end up with the same price. If everybody will be at the same price what is the use of having these institutions duplicating each other's services, and having separate offices on almost every street corner in our cities? We should be more effective in the use of our resources than that. If you go to one and it is out of money, the chances are that the others will be out of money also.

When you come to the insurance companies, you find they are all working off the same mortality tables. One has a \$25,000 package with certain kinds of options, and another has a different \$25,000 package with other options, but if you examine them you find they are basically the same thing. We have a lot of talented people as insurance salesmen. I know a lot of them, but they are chasing each other around trying to persuade people that this deal is better than that deal. The person who buys hasn't an idea which is better, because the insurance agent's job is to

[Mr. Saltsman.]

sell insurance and not to inform people any more than is necessary in order to sell insurance.

When I looked at this legislation, my first impulse was to seek ways of devising amendments that would make these institutions more responsive to public policy, and have them act in a way that would be more in line with the needs of society. I drafted a number of amendments along this line, then looked at the legislation again and gave up the amendments. I think the situation is really too hopeless to tinker with these institutions any more. We need a thorough going examination of the role of our financial institutions.

All things being equal, I for one like to see a lot of things remain in the private sector. I am always reluctant to advocate that some things be moved from the private sector to the public sector unless a good case can be made for it. But I think in this particular instance of the trust companies, the insurance companies and the finance companies—people who gather the savings of this country—we have to start thinking in terms of bringing a lot of their functions under public management, but leaving them with some of their functions that do not involve the public interest to the same extent.

The question is often asked, can you trust your government. It is as though the government were some foreign country. I would suggest, Mr. Speaker, that if you cannot trust your government you cannot trust anyone. Governments at least can be replaced if they do not behave properly or do not have the approval of the people. It is a little more difficult to do that with institutions over which you have no control.

Government has a good record in the field of insurance. We, in Canada, have been pathfinders, if you will, in this direction. I can think of no better example to bring to your attention, Mr. Speaker, than the automobile insurance program in Saskatchewan. I would not dare to repeat the names it was called, when it was first suggested, among the very people who sit in office today in Saskatchewan. Yet, they have continued this program and would not dare do away with it because it has proven its value. Other provinces are now looking at it, and before long every province in Canada will have a form of automobile insurance along the lines pioneered in Saskatchewan. It is a matter of great regret that the federal government does not take some initiative in this area and work with the provinces to bring in a comprehen-