

Private Bills

Canadians the right to buy back the shares. I do not know what the members of the Liberal party generally think about the ownership of our financial institutions, but I should like to place on the record a few remarks from a very responsible and reliable source concerning what is happening in respect of the control of the financial institutions of this country. I should like to place this on the record because it is very important. In 1956, 12 years ago, the royal commission on Canada's economic prospects stated in its preliminary report:

Foreign ownership of the stocks of the Canadian chartered banks and of life insurance companies, which are incorporated under Canadian law, is not particularly large at the present time. It is desirable that Canadian control of these institutions be maintained. The commission suggests, therefore, that appropriate action be taken to prevent any substantial measure of control of the chartered banks and of life insurance companies from coming into possession of non-residents. One way in which this might be accomplished would be to provide by statute that any shares in such institutions which are acquired by non-residents of Canada in the future would be ineligible to vote. This restriction should not be applied to existing non-resident holders of such shares.

I did not make that statement. That comes from a group of Canadian economists. They are warning the people.

Mr. Lind: Yes, but may I ask the hon. member a question?

Mr. Harding: What is happening is—

The Acting Chairman (Mr. Richard): Order, please. The hon. member has the floor.

Mr. Harding: Did the hon. member wish to ask a question? I will gladly give way.

Mr. Lind: Does what the hon. member has just read have any connection with the change of the name of London and Midland General Insurance Company?

• (5:30 p.m.)

Mr. Harding: It certainly does. That was no question, Mr. Chairman.

The Acting Chairman (Mr. Richard): Order. I have been listening to this exchange and it is just a repetition of the same question and the same answer. I think the hon. member should proceed with his speech.

Mr. Harding: Thank you, Mr. Chairman. However, we intend to try and get information from the sponsor of this bill before the debate is concluded. I referred to 1956. I should now like to come to 1959. I shall read

[Mr. Harding.]

what the Superintendent of Insurance at that time, Mr. MacGregor, said in 1959.

In my reports in recent years I have drawn attention to cases where control of a Canadian life assurance company passed from Canadian interests to interests outside Canada. In the three or four years preceding 1958 there was much activity in the shares of Canadian life assurance companies and control of a number of companies was acquired by external interests through purchase of a majority of shares from Canadian shareholders. This makes—

He is referring to 1959.

—the sixth life insurance company where control has passed into external hands in recent years.

In 1960 we had another warning from the Superintendent of Insurance, the watchdog of all the insurance agencies in this nation. This is what he told us in 1960:

The acquisition of control of established Canadian companies by British and foreign insurance companies means a permanent loss in the share of the life insurance business in Canada transacted by Canadian companies under Canadian control. The formation of a new life insurance company is a difficult undertaking and requires the investment of large amounts of money with no expectation of a return on the investment for many years in the future. Such companies are difficult to replace. The chance of repatriation of control is much less than if the shares were in the hands of individuals.

Again we had this warning from the head man in the insurance field. And what do we get in this house? We have private member after private member introducing private bills, some of them to hand over Canadian insurance companies to the very people the former Superintendent of Insurance has been warning us about. No wonder people are becoming apprehensive. During 1961, control of nine Canadian fire and casualty insurance companies passed to British or foreign hands. These transfers are largely responsible for the reduction in the proportion of fire and casualty premiums written in Canada by Canadian-controlled companies, from 26.5 per cent in 1960 to 22.4 per cent in 1961. So, on down the line have we gone until today.

I should now like to refer to the 1967 report, the latest one which I have. All hon. members have received this report of the Superintendent of Insurance. Let us consider the fire and casualty insurance figures for 1967. If people think this is unimportant, all they have to do is consider the portfolios of investment that these companies control in this nation of ours; they will then realize the tremendous power they wield. We should appreciate the necessity of keeping control of such companies within the confines of our own nation. Warnings have come from people