

Canadian and British Insurance Act

The time has come when we should take immediate and effective action so the Bank of Canada can participate in financing mortgages throughout the country. I would be happy if I thought the legislation before us would have this result. I think the only result it will have is less participation in mortgage financing across the country and more participation in equity, which will be of no assistance in grappling with the social problems we face today.

• (9:30 p.m.)

Mr. Gray: Mr. Speaker, the hon. member for Waterloo (Mr. Saltsman) covered a lot of ground in his remarks, as did the hon. member for Timiskaming (Mr. Peters), who did so both on this bill and on the previous bill. The hon. member for Waterloo had a lot to say about a whole array of new roles for the Canada Pension Plan. As I said, the hon. member for Timiskaming in the debate on this particular bill touched on a wide range of topics, as he did on the previous bill.

On the previous bill he placed on record some comments about companies in the consumer loans business even though the bill before the House dealt with mortgage loan companies other than consumer loan companies. The hon. member for Timiskaming on this piece of legislation, as on the previous bill, made some comments about interest rates and the payment of interest. He commented on what would happen if interest rates changed when speaking on the previous bill. Of course, if interest rates dropped the borrower could arrange a new mortgage at the lower rates by paying off the old mortgage. This would put mortgage, loan, insurance and other similar companies in the position where they would more or less have to renegotiate the mortgage if interest rates fell.

The hon. member made an interesting and useful comment in praising the Superintendent of Insurance and his officials. This praise is well founded. What he had to say underscored the fact that we now rely primarily on the report of the Superintendent of Insurance as a basis for making decisions in respect of the incorporation of companies under the act. The Superintendent of Insurance will continue to play this type of role if the House approves the amendments before it. The hon. member for Timiskaming also had some interesting comments about the methods used by life insurance salesmen. I am informed that the licences of agents, and therefore I

would presume the methods they are able to use in trying to sell life insurance, to a large degree are a matter of provincial law.

The hon. member for Broadview (Mr. Gilbert) also covered quite a wide area. He seemed to return to a tack he was on in an earlier debate in which he appeared to have great sympathy for Social Credit monetary theories. I will say, to his credit, that he seems to be espousing Social Credit because he wants to make it possible for more housing to be built. I am glad to see that in wanting more housing he is of the same mind as I and most members of this House. It is worth while to remind the hon. member that the government has greatly increased the amount it is making available this year for the financing of the construction of public housing.

The hon. member directed his remarks through you, Mr. Speaker, to my colleague the Minister without Portfolio in charge of housing. I should remind the House, as I indicated earlier in the debate on the bills we dealt with previously, that the Minister without Portfolio in charge of housing has indicated to me his interest in seeing the provisions in the trust companies and loan companies legislation with which we have just dealt, and in this legislation as well if I am not mistaken, adopted, because I gather he feels this would make it easier for him to persuade the financial institutions in question to make money available for mortgage lending purposes.

The hon. member for Waterloo made some interesting suggestions with far-reaching implications. There are those who would consider them to be rather controversial. However, this bill has certain specific provisions which although more limited I submit are still necessary and important. The hon. member for Waterloo in moving his amendment asks that the bill be set aside. I submit that situations could arise in the future, although I hope they will not, which could not be set aside if the House decided to support his amendment, something I hope it will not do.

For example, there are situations which would require action by the Superintendent of Insurance in exercising control over companies which are in financial difficulty. He could not take action of this kind if this bill were not passed, because the authority to do so does not exist in the present legislation. Another example would be situations calling for amendments which would convey authority which should be available immediately, or