

companies have already surpassed the government in accepting a continuing responsibility for their retired employees.

There are unquestionably other methods by which the federal superannuation fund could be improved. If the special committee which I have suggested is set up, it should be able to consider them all and choose the best one.

My plan is not entirely new, but I have been espousing it in various ways for some time and this is the first time that I have spoken fully on it in the house. However, I see signs of similar schemes in the United States of America. I notice that in the *Wall Street Journal* of November 28, at page 32, there is an article written by W. M. Carley which I should like to quote in part. It reads as follows:

Major insurance companies are getting set to invade the multi-billion dollar mutual fund business.

The big insurers already have dipped into common stock investments by offering variable annuity plans in which the payments to pensioners rise and fall with the market value of the common stocks in the plan's portfolio. Most of these plans, however, are available only on a group basis.

Now, the insurers are preparing to plunge full tilt into selling mutual funds outright.

Further on, the article continues:

Conventional life insurance premiums are currently invested mainly in bonds and mortgages, giving the insurance company only a fixed dollar return, the value of which can be eaten away over the years by inflation. Investments in common stocks, in contrast, provide a hedge against inflation by giving the insurance companies a chance to benefit from rising market values.

Then it goes on to say:

"Practically every major insurance company will be in the mutual fund business soon", a senior vice president for one company says. "When one goes in, the others are forced by competitive pressures to follow."

Many insurance companies already have started to sell variable annuity policies, a middle road between conventional life policies and mutual funds. Like the funds, payouts from variable annuities may fluctuate because part of their value is based on investment in common stocks. But, as with insurance policies, the payout can be guaranteed to the holder's death.

I see my time is nearly up. I put forward my suggestion in all sincerity and earnestness. I know there are many others on both sides of the house who share the same concern for the plight of the federal superannuation pensioners. I ask the minister to look into my suggestion. I do not claim it has any particular merit, nor is it particularly original, but I put it forward as one means whereby the government may be able to

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resolve the present unhappy situation, and I urge the minister most sincerely to consider it.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have almost begun to regret that I have altered my usual procedure in the budget debate, and have asked two of my colleagues to lead off, after which I would follow them. I knew of course that Friday afternoon would not be a very good time in which to speak, but I thought I was only going to deal with Mr. Scrooge. Now I find I will also have to compete with Santa Claus outside, so it is all rather difficult.

I listened with great interest both to the speech of the Leader of the Opposition (Mr. Stanfield) and to the reply of the Minister of Finance (Mr. Sharp), and I realized that these two gentlemen were in a very difficult position because traditionally they are supposed to be on opposite sides but it became very obvious they are on the same side.

The only positive statement of the Leader of the Opposition which struck my ear forcibly was when, toward the end of his speech, he very skilfully cut the ground from under his own feet and that of his whole party when he, quite rightly, accused the government of deliberately creating unemployment by following the policies which he and his colleagues have been insisting on almost ever since word of the budget came out.

There was another thing that I noticed in the speech of the Leader of the Opposition, and this was an omission. There was no mention whatever in his speech of his attitude toward the now famous report of the Carter commission on taxation. I can only assume from this that he has the same attitude as the government in this regard, as he seems to have in all other policies, and that he is prepared to attend the funeral of the Carter report which has been organized by the government at this time.

Speaking in a more serious vein, however, I think this is an appropriate time for me to pay a tribute to Mr. Kenneth Carter, a man who over the years has worked with his commission to produce what is acknowledged by taxation experts all over the world as the most comprehensive survey and the most equitable proposals for taxation that have yet appeared. I think it is regrettable that the only area from which Mr. Carter seems to get any commendation is the vast mass of the Canadian people who would benefit by the adoption of his proposals. The loud chorus of opposition which has been voiced by special