have no authority, to determine that the regulations it passes are proper. It should not have the right to make that decision. The decision remains under the authority of this House and is granted to the Governor in Council. Whether it is proper or improper shall be determined by the courts and not by the Governor in Council.

One strange provision I find in the bill is the same as one I find in the amendments to the Canada Corporations Act. That is the view that the services provided by the government with regard to this sort of policy of "big brotherism" shall be paid for by the industry concerned. We evidenced in Bill C-4 during the last session the Minister of Consumer and Corporate Affairs (Mr. Basford) insisting that the expenditures of his department in looking after the activities of corporations into which there were investigations could be recovered from the companies through the power to apportion these expenses. This is similar, I suppose, to the Department of Justice saying that in the administration of justice a criminal should have to pay for the cost of investigating the offence with which he is charged and of which he may be convicted.

In this instance the administrative and all other expenses incurred in connection with the act shall be pooled. This starts with clause 28. We see the development of a formula by which each investment company would be charged pro rata, depending upon its mean assets. Investment companies are not all of the same nature. Many manufacturing and other types of commercial concerns with substantial investment portfolios which might bring them within the terms of the act in regard to investment companies would be assessed on the basis of total assets, a substantial part over which the Superintendent of Insurance would have no jurisdiction; yet that was the proposal.

• (8:40 p.m.)

There are provisions whereby investigations can be made, and so on. I suppose a company could legitimately say it had to incur expenses in counteracting the investigation of the Superintendent of Insurance. Mr. Speaker, subject to what we will be able to uncover at the time of the proceedings before the committee, the power given the Superintendent of Insurance with regard to these companies is indeed extensive. Any company that is forced, shall we say, to engage counsel or to undertake certain expenditures with regard to the investigation made concerning its affairs in so far as they are affected by the provisions of this act, probably should be able to recover those expenditures from the Crown. But oh, no! The Crown does not believe in a two-way street; it is all one way. Again, this is a point which I give notice I shall raise in order to see that there is fairer play.

There is another matter to which I think the individuals concerned with the preparation of this legislation failed to give any consideration. I refer to the provision that on an investment company's letters patent there shall be a notation that the company is subject to the Investment Companies Act and the restrictions contained therein. When one considers this provision, one can immediately see that if a company is going into a market—particularly the foreign market—to raise funds, potential investors may be driven away.

[Mr. Lambert (Edmonton West).]

Again, I shall want a very full explanation as to why this should be the case. Is this to be another form of constrained company? There may be a restriction concerning the share ownership, but if this is to happen it must be clearly indicated that the company is only constrained in respect of the degree of foreign ownership of its shares, and that there are no other restrictions. There is also a requirement that the disposition of the assets or any part of the assets may require the minister's permission. Again I ask, has the minister become the senior partner of all investment companies? To what extent is this "big brotherism" to go?

I have already mentioned that the lender of last resort facilities of the Canada Deposit Insurance Corporation were designed for one purpose only, which was to protect the deposits of people who had money on deposit with chartered banks, trust companies and other concerns which took moneys on deposit under the terms of the Canada Deposit Insurance Corporation Act. But now we see the lender of last resort provisions being made available to sales finance companies which do not take money on deposit. They sell obligations to the public; they do not take money on deposit.

I have read some sections in respect of the previous argument, whereby the Minister of Finance is specifically authorized to recommend the advancing out of the Consolidated Revenue Fund of a special loan account. He is also authorized to recommend the payment to the Canada Deposit Insurance Corporation of losses that may be incurred by the non-repayment of these last resort loans or any portion thereof. This is entirely new business that is being tacked on to the Canada Deposit Insurance Corporation.

There is one last point I should like to make. I am sorry the Superintendent of Insurance has left his position in the official gallery. I am also sorry the Minister of Finance is not here, because as a result of the provisions of this bill and the requirement placed upon the Superintendent of Insurance, I think this very esteemed office and its distinguished holder will be placed in a very invidious position. There is a massive conflict of interest as a result of the provisions of this legislation and the provisions of the Canada Deposit Insurance Corporation Act.

We all know that one of the key officials in the Canada Deposit Insurance Corporation is the Superintendent of Insurance, because it is his officials who examine the records of trust and other near bank companies. It is the Superintendent of Insurance who makes the actual recommendations concerning the financial condition of any corporation that is a participant in the Canada Deposit Insurance fund. Therefore, as a key official of the Canada Deposit Insurance Corporation, the Superintendent of Insurance has an important voice in the approval or otherwise of any application for a loan under clause 16.

One might say: What is wrong with that? But if one reads the legislation carefully and starts with clause 22 and goes through to clause 25, one sees that this self-same Superintendent of Insurance is the policeman dealing with investment companies. He is the sole person authorized to investigate, to make recommendations to