

Investment Companies

order, on application by the investment company, exempt from such prohibition any particular investment or investments of any particular class, if he is satisfied that the decision of the investment company to make or hold any investment so exempted has not been and is not likely to be influenced in any significant way by that person or group and does not involve in any significant way the interests of that person or group, apart from their interests as a shareholder of the investment company.

That is not the kind of power which should be placed in the hands of an elected politician, no matter who he may be. Hon. members of this House who have sat idly by during discussion of legislation after legislation and have permitted these powers to be given to the government some day will have to answer to the people of Canada.

In clause 15 there is a right given to the minister to prohibit any sale. No sale or disposal of the whole or any part of the undertaking of a sales finance company is of any effect unless and until it has been approved by the minister. This, also, is not the kind of power which should be placed in the hands of an elected politician. I shall not make a suggestion in respect of alternatives here, but it seems to me these are powers and authorities which heretofore have been vested in the courts. It may well be that the reasons are adequate if the government should say that for certain reasons there should be a tribunal established. But a tribunal independent and free of government influence should have the right to make these decisions. It is wrong to leave this power in the hands of the government.

The minister has the sole right to issue certificates of registry and to revoke certificates of registry of companies. Clause 21 (1) reads:

Where, in the opinion of the Superintendent, the financial condition and affairs of an investment company that applies to the minister for a certificate of registry are such that the ability of the company to repay all moneys borrowed by it on the security of its bonds, debentures, notes and other evidences of indebtedness that are then outstanding and to pay all interest thereon is inadequately secured, he shall make a special report to the minister recommending against the issuing of a certificate—

That, then, can be revoked later by the minister. By virtue of clause 22, when it comes to the attention of the Superintendent that there are problems, and the Superintendent believes any of these assets are not satisfactorily accounted for, he may take control of the assets of the company and maintain such control on his own initiative for a period of seven days or, with the concurrence of the

minister, for any longer period the minister considers necessary in the circumstances. From this decision of the minister there is an appeal to the Exchequer Court.

Clause 29 provides that the minister may under regulations and conditions approved by the Governor in Council authorize advances to the Canada Deposit Insurance Corporation. These advances may be up to \$200 million. Finally there is the usual compendious clause, clause 32 which reads as follows:

The Governor in Council may make regulations to ensure the proper carrying out of the provisions of this act.

I think that clause is improperly drafted. Who is to judge what is the proper carrying out of the provisions of the act? I think the committee which dealt with the matter of statutory instruments suggested a form of wording, and these certainly are not its words. The minister should give consideration to changing this clause to read; "The Governor in Council may make regulations to ensure the carrying out of the provisions of the act". I think the "proper carrying out" is something which should be left to the discretion of the cabinet.

I have probably covered as many as 25 subclauses in the bill where discretion and control is passed to an elected official of the government. I think it is completely wrong that this bill, like all other bills dealing with companies, corporations and financial institutions, should be so framed. There is a case to be made for security and for certain precautions to be taken, but I strongly suggest the people of this country would feel a good deal happier if this were done by and the decision left in the hands of a tribunal independent of elected officials.

The power of the minister to do many of the things proposed in this bill at a time when an election is approaching is, I suggest, a power which we in this House should regard with apprehension. I have mentioned this matter on other occasions. I do not know what effect my continuous repetition will have on the government—very little, probably—but nevertheless it is my intention to make a continuous case of my assertion that this is an unnatural and improper power which the government does not really need to carry out the objectives in this legislation. That point should be brought to the attention of the public.

• (8:30 p.m.)

The only other comment I want to make is that I have very grave doubts about the