

## INVESTMENT COMPANIES BILL

### FILING OF STATEMENTS AND INFORMATION, QUALIFICATIONS AND DUTIES OF AUDITORS, TRANSFER OF SHARES, ETC.

The House resumed consideration on the following order:

Second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-3, respecting investment companies—the Minister of Finance.

**Hon. E. J. Benson (Minister of Finance):** Mr. Speaker, the revised recommendation is as follows:

His Excellency the Governor General recommends to the House of Commons a measure respecting investment companies; to provide for the supervision and registration thereof and the prohibition of certain loans and investments thereby; to provide for restrictions on the transferability of shares of certain investment companies to be known as sales finance companies and for loans to such companies by the Canada Deposit Insurance Corporation out of funds advanced out of the Consolidated Revenue Fund; to provide for reimbursement of the corporation out of the Consolidated Revenue Fund for losses sustained in respect of any such loans and for the establishment by the corporation of a special account in the Bank of Canada to which shall be credited revenues derived from such loans and to which shall be charged certain expenditures of the corporation mentioned in the said measure; to provide for assessments of investment companies by the Superintendent of Insurance to cover costs incurred by him in the administration of the act and further to make certain provisions in connection with the administration of the act.

Mr. Speaker, I understand that this resolution is couched in exactly the same terms as the previous resolution.

**Mr. Knowles (Winnipeg North Centre):** "Recommendation."

**Mr. Benson:** Yes, the previous recommendation; pardon me. I also understand that the hon. member for Halifax-East Hants (Mr. McCleave) wishes to make a few comments on this matter, at which time we might consider second reading.

**Mr. Lambert (Edmonton West):** Before my colleague takes the floor, Mr. Speaker, I hope the minister can assure the House that all appropriate steps have been taken, in the regular manner, to obtain the recommendation from His Excellency and that everything is in order.

**Mr. Benson:** I would assure the House that this is the case, although rather hurriedly after the urging of the hon. member.

**Mr. Knowles (Winnipeg North Centre):** Is it in the Governor General's own hand?

**Mr. Benson:** The signature is.

**Mr. Speaker:** Order, please. If we are to return to this order, I suggest the Clerk call the Order and then the Chair will recognize the hon. member for Halifax-East Hants (Mr. McCleave).

**Hon. E. J. Benson (Minister of Finance)** moved that Bill C-3, respecting investment companies, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

### Investment Companies Bill

**Mr. Robert McCleave (Halifax-East Hants):** Mr. Speaker, earlier today at 10 minutes to 5 I had the opportunity to share ten minutes with the Minister of Transport (Mr. Jamieson) and the bill under discussion was read the second time and sent to the committee. Now I see that the Minister of Finance (Mr. Benson) and myself are to be given an even greater challenge. We have only five minutes before, presumably, the same thing will occur in respect of this bill. This can be done, and I hope I will give him his full 2½ minutes. I will do my best, anyway.

Instead of making a speech I should like to present five questions for his consideration and for the consideration of Mr. Humphrys, the Superintendent of Insurance. Of course, I ask for the answers when the committee deals with the measure.

The first question concerns the power in clause 15 which provides that no sale or disposal of the whole or any part of the undertaking of a sales finance company is to be of any effect unless and until the minister approves. I suggest, sir, that we must ask whether this is not a rather extreme power for the purpose of keeping Canadian control over sales finance companies.

The second question would arise from the area of the bill—and it is a large bill, with 43 pages—dealing with loans to sales finance companies. This matter refers to a company that is backed into a corner and needs federal help to get itself out. It also involves the question of the powers that are given the Superintendent of Insurance in the face of this undoubted fact, that never as far as anybody can recall did a federally-incorporated company go down the drain. This whole area of power will lead to questions as to whether this part of the bill is an exercise in remedial legislation, or whether it is simply an exercise in staking-out or acquiring greater governmental power.

The third question, which is vital to the philosophy of the bill, is: Should Canadian companies, or the public, be put in the position of insuring consumer loans by sales finance companies? After all, it will be pretty hard to persuade "Joe Lunch-pail" that he has to put his might and strength behind a company which may be making rather large profits. Does this problem not fit exactly into the recommendations of the Porter commission? My fourth question, Mr. Speaker, is in connection with information obtained under the act. It is our suggestion that this information be privileged. There are precedents we can point to in the Statistics Act and the Corporations and Labour Unions Returns Act.

In the final ten seconds left to me I should like to refer to the position wherein an employee might leave the government's employ and be in possession of rather sensitive information. It is our suggestion that where this takes place and an employee goes outside the public service to a place where the information could be of value, it could only be revealed after two or three years had elapsed since his employment in the public service.

**Mr. Speaker:** The minister will now close the debate.