

There is a requirement in the bill that the Minister of Finance approve an investment company's supplementary letters patent. I suggest, Mr. Speaker, that this would provide just one more hurdle to overcome when solicitors and auditors are trying to satisfy a client's need for fast action from the government in Ottawa.

Clause 4 of the bill is the one to which reference is made in general terms. It would seem to me this is subject to the charge of patronage, because when one reads the clause one finds the following:

Letters patent shall not be issued under any act of the Parliament of Canada to incorporate a company primarily for the purpose of carrying on the business of investment without the consent of the minister; and no supplementary letters patent shall be issued, in respect of a company that holds a certificate of registry that has not lapsed or been withdrawn, without the consent of the minister.

It would seem to me this introduction of ministerial discretion in respect of this and other types of companies lends itself to the possibility—I am not pointing the finger at any present or past minister—that with regard to sales finance companies the issuance of or amendment to letters patent could be achieved by the right kind of friends making application to the government. After all, one does not have to be born yesterday to acknowledge that this can be done. It seems to me the withholding of consent by the minister could be dangerous.

There are many other provisions in respect of which there will be comment. I am not satisfied that it is simply an administrative bill that the government would like to bring forward. I am not satisfied that there is not included in it an attempt by the ministry to get further and further control over one type of business in this country, as there is in respect of other types. We know changes are going forward to the Corporations Act which would give the Minister of Consumer and Corporate Affairs very extensive powers to examine companies on his own initiative without there being any indication of anything wrong; that is, he could do it merely on the basis that he feels it is in the public interest.

This form of big brotherism has crept in. It is all part and parcel of a course of conduct by this administration in respect of Canadian business. In any event, we intend to examine this bill very carefully in committee. I have, and I am sure my colleagues will have, amendments to propose in respect of certain clauses.

Investment Companies

I think that on the whole we must pass the motion for second reading and referral to the committee with reservations. We are not impressed by the legislation but we are prepared to let it go to the committee and to see what happens when it gets there and when it returns to the House.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in looking at the bill before us we get the feeling we have seen it before. It is very similar in many ways to other financial bills which have come before the House in respect of investment companies, trust companies, loan companies, mortgage companies, finance companies, and to some extent the Corporations Act. As these bills are introduced, a number of questions are raised in my mind concerning whether all that is being done is a little housekeeping. The government seems to be trying to protect the investors of these companies. This in itself is a very good thing and should be commended.

I believe we should be going beyond this point in light of the important influence these companies have on our society. We should be asking questions about financial bills beyond the extent to which they protect investors. One difficulty which faces anyone who examines a specific bill is the overlapping which is apparent. For instance, we now have in the trust companies bill indications of overlapping into banking, consumer credit and other business areas. Insurance companies will be investing. Virtually all the finance bills we have looked at include the power to invest; they have blanket clauses in respect of that power. It is difficult to draw the distinction between an insurance company and a company in the investment business. I know that in the other place that difficulty was overcome by changing it from 25 per cent of their activity to 40 per cent. It seems that this has made the situation worse rather than better.

• (4:50 p.m.)

Even corporations that are not considered to be financial institutions carry out a fair amount of investing with their surplus funds. As we examine the economic prospect in the next few years and consider the need to use our investment funds to the best purpose, we must agree that one cannot have financial bills just for the protection of investors, worthwhile as that may be. Financial bills must also reflect the public interest and ensure that the investment funds of this country are used in the best interests of all Canadians. This has not been done in the past.