

*Investment Companies*

**Some hon. Members:** Agreed.

unanimous agreement of the House. If there is no unanimous agreement, I am not too sure how it can be corrected except by the publication of an errata as an appendix to the proceedings of this day and the bringing forth of the same measure tomorrow. That is the only alternative. We either do that or we have unanimous consent to proceed with the bill at this time. If there is no consent, the Chair in consultation with the table officers will find a way to publish a correction in the official records of the House, and the bill could proceed tomorrow or whenever hon. members agree it should be proceeded with.

**Mr. Lambert (Edmonton West):** Mr. Speaker, may I ask the Minister without Portfolio (Mr. Gray) whether, in light of the information he communicated to us earlier today, he is in a position to make the full statement he intended to make, or a truncated version? Our consideration today is bound to a great extent by the decision of the minister.

**Mr. Speaker:** I would hope that the decision taken by the House would be based on the procedural aspect and not on whether the minister will make a long or a short statement. I suggest that hon. members should agree whether they want to proceed or not on the basis of the argument proposed to the House and the decision of the Chair.

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, I should like to suggest, in light of the assurance that the table, or clerical error will be corrected, that we proceed.

**Some hon. Members:** Agreed.

**Mr. Baldwin:** Mr. Speaker, there seems to be a general view to proceed with this bill. In any event, the error could be cured by giving unanimous consent to having the omission made good in the *Votes and Proceedings* of today. That inclusion would to all intents and purposes be regarded as a fulfilment of Standing Order 62 (2). The failure to include this particular recommendation in *Votes and Proceedings* at the appropriate time might well be considered a failure to comply with section 54 of the BNA Act. However, we are prepared to give unanimous consent. If that consent would include having it put on the Order Paper or in *Votes and Proceedings* for today, that is all right.

**Mr. Speaker:** Hon. members have heard the suggestion of the hon. member for Peace River. Is this agreed?

**Hon. Herb Gray (for the Minister of Finance)** moved that Bill C-179, respecting investment companies, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the purpose of this bill is to establish a system of reporting, inspection and supervision applicable to a class of federally-incorporated companies that are acting in a substantial way as investment intermediaries and that are not otherwise supervised. The class of companies to which the act would apply may be described broadly as those companies that raise money on debt instruments and use some or all of the money so borrowed for investment purposes.

There now exists extensive legislation providing for supervision and inspection of most types of companies under federal charters that solicit funds from the public on the basis of contracts calling for repayment of the funds at some time in the future or payment of insurance benefits. Such companies include banks, trust companies, mortgage loan companies and insurance companies. The absence of a system of reporting, inspection and supervision applicable to companies that do not fall within any of these classes, but nevertheless borrow funds from the public for investment purposes, represents a gap in the existing pattern of supervisory legislation. The fact that such a gap can have serious consequences has been illustrated by a number of failures of financial institutions within the last few years. Fortunately, these were not under federal charter but we feel action should be taken to avoid such a possibility with respect to federally chartered companies in this category.

Perhaps the main type of company that would be covered by the act are those commonly referred to as sales finance companies. These are companies that engage, to an important extent, in the business of purchasing instalment sales contracts from merchants and in purchasing other types of obligations arising from the sale of goods. The act will, however, apply to certain other types of companies also, where the money raised by borrowing is used for investments of other types.

It should be noted that the act would apply only to companies that raise funds on debt instruments. Thus, it would have no application to those companies that are acting as investment intermediaries but on the basis of funds raised by the sales of shares, including mutual funds. The purpose of the legislation