

Investment Companies Bill

ment companies that otherwise would fall under the act by reason only of the fact that they borrow funds from members of the immediate family of the principal shareholder. It was intended to exempt any such cases under the discretionary exemption provisions of the bill. It was subsequently suggested, however, that a relatively large number of companies would likely be involved and the amendment is intended to relieve all these companies of the necessity of seeking ministerial exemption. As the amendment does not alter the intended scope of the legislation, the government has no objection to it.

• (8:10 p.m.)

The other amendments made in the Senate are directed primarily toward clarification of the intents and purposes of the legislation. The definition of "business of investment" in clause 2(1) (b) has been slightly altered to make it clear that the use of borrowed funds to purchase investment real property includes the use of such funds to make improvements to investment real property. The application of the asset and borrowing tests in clause 2 has been clarified. A new subclause 6 has been added to clause 6 to relieve the auditor of an investment company of any liability to which he might otherwise be subject as a consequence of filing with the minister and the directors of a company pursuant to subclause 5 a report on matters affecting the well-being of the company that in his opinion require rectification.

Clause 9(5) was amended to provide an additional set of circumstances in which the minister might grant an exemption from the prohibition against investments and loans where there is a conflict of interest. Clause 15, restricting the power of a Canadian-controlled sales finance company to sell or dispose of its undertaking, was changed to apply only to the sale or absolute disposal of the whole or any substantial part thereof.

Clause 16 was amended to make it clear that the Canada Deposit Insurance Corporation may, in connection with its functions as a lender of last resort, employ only those funds made available to it from the consolidated revenue fund expressly for that purpose. Clause 32 was slightly altered by the replacement of the words "to ensure" by the words "necessary for" in relation to the authority of the Governor in Council to enact regulations to carry out the provisions of the act.

That completes my remarks concerning the amendments made to the bill in the other place. As I mentioned earlier, none of these affect the principal purposes and objectives of the measure and we are satisfied that the bill as amended will be an effective measure in filling the gap that now exists with respect to the supervision and inspection of financial institutions. In closing, I would like to thank members of both chambers, particularly those who served on the respective standing committees, for their efforts in improving this important legislation during its Parliamentary process.

Some hon. Members: Carried.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I heard that automatic response from the back reaches of

[Mr. Mahoney.]

the government party. It indicates the attitude of some members with regard to legislation. The members responsible for that attitude should look at the chequered history of this bill. I do not know who was the misbegotten progenitor of the bill, but whoever was responsible for it must forever hide his head in shame.

This bill originated from the attitude of "big brotherism" that is so prevalent among certain ministers of the Crown. During the second reading debate on the bills, as recorded at page 576 of *Hansard* for October 26 I traced its rather nefarious and chequered history. I was going to say "unwanted" because it is really something that should be hidden.

There is a certain bar sinister in this particular bill. It first began as Bill S-17 in the other place during 1968-69. That was the time when the attitude was prevalent that this government had been elected to save the people. We saw what happened to the bill in the other place. When our confreres there got rid of Bill S-17, all that was left of it was the title clause. With the aid of their able counsel, they rewrote it from stem to gudgeon, but then nothing happened.

We dealt with the bill again last year. It came back to this House as Bill C-179. It actually got through second reading. Because the finance committee was preoccupied with the white paper on tax changes—another exercise in complete frustration for a lot of people—and because of the misbegotten ideas on the part of the government, the bill was referred to the justice committee. To the credit of my colleagues on the justice committee, they took one look at the bill, threw up their hands in disgust and tossed it in the wastebasket, never to resurrect it. There it died.

The bill is now before us in modified form as Bill C-3. It received second reading, went before the finance committee and there it received a number of amendments as a result of the efforts of government and opposition members. Ultimately it made its way to the other place. The net result is that further housekeeping has been carried out. Actually, it is more than just housekeeping because it tidies up a number of details of the bill that left many members of the Commons committee very uncomfortable as a result of hearings on this bill.

Although the representations from the public sector had justice on their side, there was no predisposition with regard to this particular section by government members and their advisers in the administration to pay any attention to the representations that were being made. However, like the ever-wearing drop of water, the further representations made before the Standing Committee on Finance had their effect. Therefore, we have the amendments before us.

I am not going to discuss the pros and cons of the amendments. I think they are all improvements to the bill. On behalf of the members of the official opposition, I am prepared to accept them to that extent. However, the history of this legislation has not been one of the more edifying experiences of this administration.

I want to refer to the current debate on another bill. There is a good deal of opposition to a lot of very bad