

*Investment Companies***AFTER RECESS**

The House resumed at 8 p.m.

GOVERNMENT ORDERS**INVESTMENT COMPANIES**

MEASURE RESPECTING FURNISHING OF INFORMATION, LOANS AND INVESTMENTS, TRANSFERS OF SHARES, ETC.

The House resumed from Wednesday, February 11, consideration of the motion of Mr. Gray (for Mr. Benson) that Bill C-179, respecting investment companies, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, this is one of those rare parliamentary occasions when the background of the proposed legislation and the circumstances surrounding its introduction are more revealing and important than the terms of the bill itself. Because of this I would like to recall briefly some of the origin of Bill C-179, a pale and bloodless mutation of Bill S-17 which died unlamented at the end of last session.

In its original form as introduced by the government in the other place, the bill was sufficient to have completely altered the economic and political power structure of Canada if it had become law. The original definition of an investment company in that bill, the extraordinary powers invested in the Superintendent of Insurance—a non-elected departmental official—and other features contrary to the spirit of a democratic, free enterprise economy would have given the government more power over the general economy of the country than any Canadian government has ever had in time of peace. If Bill S-17 has passed into law in its original form, it would have affected a larger number of Canadians more directly than any other economic measure with the exception of the budget. Its true intent, I believe, was the socialization and control of investment in Canada.

It will be recalled that members of the other place became so alarmed by the radical changes proposed by this legislation that they took the unprecedented step of bypassing the law officers of Parliament and hiring outside counsel to redraft it. The bill was studied at length and in detail in committee and many expert witnesses were called. It is significant

[Mr. Deputy Speaker.]

that the Minister of Finance (Mr. Benson) stubbornly declined to appear before the committee to explain the bill about which he spoke freely outside Parliament at the time. Also, the deputy minister of justice was not permitted to appear to explain the complex legal ramifications. Thanks to the alertness and determination of members of the other place, the bill was almost completely shorn of its most objectionable features and was passed on to us. It died, however, when the House of Commons rose to end the session last July. For all practical purposes the bill we are considering today is identical to the version finally accepted by the other place.

I have felt it necessary, Mr. Speaker, to recall these circumstances because I believe the original government concept of taking over a large measure of control of private investment in this country, as reflected in the original Bill S-17, is one piece in a carefully plotted program of all-embracing state control. We see signs of this in other measures the government has brought in or is planning to bring in, such as the amendments already in force to the estate tax system and the proposed tax reforms contained in the white paper.

For that reason, I do not believe this government will be content with passage of the legislation now before us. At a later date we may expect to see either tough amendments to this bill or completely new legislation that seeks to achieve what failed with the emasculation of Bill S-17. I do not believe for a minute that this government will be satisfied with anything less than complete domination of the social and economic life of Canada—overwhelming, centralized, socialist power.

As to the provisions of the bill as it is now before us, there are many points to criticize in varying degree. One of the most important omissions in the bill is that no provision is made to make privileged the information obtained from corporations by government under its terms. Communication of such information, except perhaps in certain very special circumstances, should be absolutely prohibited and penalties for breaching this prohibition should be provided in the bill. Precedents for this are to be found in the existing Statistics Act and in the Corporations and Labour Unions Returns Act.

In addition, there should be a provision that no public servant who during his stint with the government had access to investment companies' confidential information could divulge such information should he leave the