

on that committee was actively engaged in the improvement of this complicated piece of legislation and gave his all, and it was very difficult work.

For my part, while I think the bill is an extremely good one, as far as it goes, and certainly infinitely better than it was as originally drafted, I do regret that some of the proposals I originally made about acceptance companies, before the bill was referred to committee, were not included as a separate section of the bill. This is no fault of the Senate or of its committee or of the subcommittee; it arises out of the fact that there have been difficulties which the Bank of Canada and the Department of Finance had foreseen.

My only purpose in rising is to say that I hope that very soon some remedy will be afforded this particular industry which, curiously, was one of the few industries that came before us and asked for a specific type of regulation.

Having said that, I strongly commend the bill to the Senate.

Hon. Lazarus Phillips: Honourable senators will remember that when this bill was first introduced I raised serious objection to its form, as introduced. I should like to state to honourable senators that I am completely in accordance with the form of the bill as reported by Senator Hayden today.

Before concluding, it is my great pleasure to associate myself with the remarks of Senator Martin and Senator Connolly (Ottawa West), in expressing our appreciation of the wonderful work that was done by the Chairman of the Standing Senate Committee on Banking, Trade and Commerce, Senator Salt-er A. Hayden. Since I have had the honour to be a member of this chamber, I have never encountered such devotion and assiduous attention to the development of an important bill.

Hon. Senators: Hear, hear.

Report adopted.

MOTION FOR THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Langlois: With leave of the Senate, I move third reading now.

MOTION IN AMENDMENT

Hon. Mr. Hayden: Honourable senators, as I indicated when moving the adoption of the report, I now propose that the bill be amended by deleting section 5 of subsection 13 and substituting therefor a new subsection 13.

May I just remind you that the original subsection 13 of section 5 reads in this fashion:

Every investment company shall, prior to borrowing any money on the security of its bonds, debentures, notes or other evidences of indebtedness, file with the Superintendent in relation to such borrowing:

(a) a prospectus which complies with the requirement of section 77 of the Canada Corporations Act; or

(b) a copy of any prospectus or document of a similar nature required to be filed with any public authority under the law of any province.

The difficulty was that this was an inflexible sort of provision and did not take care of the situation where borrowing might be of such a nature that under the Canada Corporations Act and indeed under the provincial securities law there is no requirement to file a prospectus, and yet, under the provisions of this subsection a prospectus would have to be prepared just as though it was a transaction in which it had to be filed. So, we decided there should be a little more flexibility.

The amendment repeats the introductory words of subsection 13—and then I will read the rest of it:

Every investment company shall, prior to borrowing any money on the security of its bonds, debentures, notes or other evidences of indebtedness, file with the Superintendent in relation to such borrowing:

(a) a copy of every prospectus or other document of a similar nature that is required to be filed under the provisions of the Canada Corporations Act in relation to such borrowing;

Now the flexibility comes in.

or

(b) if no such prospectus or document is so required to be filed a statement of the nature and purpose of the borrowing in such form and detail as may be required by the Superintendent.

That provides the flexibility. It will keep the Superintendent informed, so that he can