

Investment Companies

many years—and I do not recall hearing complaints about the abuse of this authority. Instead, there has been generally the highest praise for the Superintendent of Insurance and his department for the way they have carried out their duties. If anything, the call from the public has been to give the Superintendent greater authority to make sure there is not a misuse of assets, or the power to carry on business under these acts in a way that would threaten the investment of shareholders and depositors or cause harm to the public generally.

Mr. Baldwin: It is not the Superintendent who worries me; it is the minister.

Mr. Gray: I would also tell the hon. member that, again if I am not mistaken, with reference to the trust and loan companies legislation, insurance companies legislation and the Bank Act, there is authority given to the minister to make decisions of the very type about which the hon. member is complaining at this point.

The hon. member for Peace River says that no federal company that would come under this legislation fortunately has as yet had the problems that occurred with respect to several companies that are under provincial jurisdiction, and he seems to be putting this forward as an argument against the adoption of legislation of this type. Surely, he and his party are not suggesting that we wait until something happens along the lines of the Prudential Finance collapse before we act in this Parliament? This is a strange argument, but it is the one he seems to be making. I think the public generally, and the depositors in companies of this type, desire us to act and to ensure that nothing like that does happen in future with respect to companies that will come under the legislation that is now before the House.

The hon. member has said that the government will have to account to the people of Canada for proposing such legislation. I suggest, Mr. Speaker, that not only this government but particularly the official opposition will have to account to the people of Canada if there should happen to be the collapse of a company of the type that would come under this bill, and because the attitude of the official opposition impeded the placing of adequate legislation to protect the investors on the statute books of the federal government.

But finally, Mr. Speaker, the hon. member for Peace River was willing to admit there is a case for some type of legislative action. I

[Mr. Gray.]

believe he used the term “a case for security.” We suggest that if he is right in this—and he is—the government must have the authority to move quickly to protect depositors and the public generally. I think that those who held certificates in Prudential Finance would have been very happy if the Ontario provincial government had had the legislative authority to move quickly along the lines of the authority proposed in this legislation to protect their interests.

Mr. Speaker, dealing with a further point raised by the hon. member for Peace River, he referred to the authority of the Canada Deposit Insurance Corporation to borrow up to \$200 million from the Consolidated Revenue Fund.

Mr. Lambert (Edmonton West): On a point of order, Mr. Speaker, I am sure the minister would not wish to mislead the House but he referred to depositors with respect to sales finance companies. The public buy only certificate from sales finance companies, or they participate in their shares. These are the only two forms of investment that can be made by the public in sales finance companies.

Mr. Gray: Mr. Speaker, I used the term because many people who buy certificates might well feel they are doing something in the form of depositing. But the hon. member's point is well taken. The people who held certificates in Prudential Finance thought they were making a form of deposit for which they had protection. I thank the hon. member for his accurate terminology. People who buy certificates could well feel that they are making a form of deposit guaranteed by the certificates, and I think we should not overlook this aspect. But I do not quarrel with the hon. member's words of precision.

If I may continue, Mr. Speaker, dealing with the power of borrowing of last resort by the Canada Deposit Insurance Corporation, I would like to point out that the figure of \$200 million is a maximum figure. We are putting an upward limit on the borrowing that can be made by the Canada Deposit Insurance Corporation. The authority to make use of this power to borrow is spelled out in very precise terms in the legislation, and basically it could be used only under very limited conditions through lending by way of last resort; and if I am not mistaken, it is not the minister—contrary to what has been suggested by the hon. member for Peace River—who has the right to carry out such borrowing.