

Investment Companies

pursuant to this act. He went on to assume that there would be no other report concerning the activities of the corporation. However, clause 27(3) specifies that the report of the CDIC is submitted to the Superintendent "for incorporation by the Superintendent in his report to the minister under subsection (1)".

The hon. member for Dauphin (Mr. Ritchie) made some rather sweeping assertions, as did the hon. member for Peace River, with respect to the purpose of the original bill, and for that matter the purpose of the bill presently before us. I would point out that both the original bill that was before the other place, and this bill, would have covered only companies coming under federal legislative jurisdiction. Neither bill, therefore, would have had the effect of permitting the government, as I think the hon. member for Dauphin suggested, to take over all investment in the country, since obviously there are many companies the activities of which would fall within the definition of "investment company" under the bill before us which would remain under provincial jurisdiction.

Let us remember that the purpose of this legislation is to ensure the greater protection of investors in companies of this type that come under federal jurisdiction, and to protect the public generally from the bad effects that would come about if one of these companies should collapse, as has happened to several companies under provincial jurisdiction. Certainly the purpose of the legislation in protecting investors would also mean the preservation of their investments. Therefore, I suggest that it is not a sound argument, which the hon. member for Dauphin attempted to put forward, that this legislation in some way would threaten the system of private property in this country. It seems to me that the effect of this legislation is just the opposite, to create conditions which would help preserve institutions of private property and investment in Canada.

The hon. member for Dauphin suggested that there might be the possibility for officials to make improper use of information which they obtained in administering this legislation. If I am not mistaken, officials are already bound by oath under other legislation which would prevent their making use, either while officials or after they leave government employ, of any information they obtain while in the service of the government. The hon. member for Dauphin made reference to a gentleman who was a very capable and respected civil servant who, some months

after leaving government service, went into another position with an investment firm.

● (8:40 p.m.)

I am sure that his reputation for integrity is such that aside from the requirements of his oath there could be no problem about the way he would deal with any information he might have obtained if this legislation had been in effect when he was a government employee. If I am not mistaken, Mr. Speaker, a previous Superintendent of Insurance after leaving the employ of the federal government went on to become an executive of a large insurance company, and there was no suggestion that he was in a position to do something that was not appropriate. In fact he is a gentleman who continues to have a high reputation in the insurance industry generally.

If I am not mistaken, in the United States similar legislation has in fact existed for many years, and as far as I am aware it has not hampered investment or business activity. On the contrary, it has helped because it has provided a basis of security and safety and encouraged the creation and maintenance of a climate which in general encouraged the making of investments. I would suggest that if we have similar legislation in Canada, at least so far as the companies under federal jurisdiction are concerned, it would help to continue an appropriate climate of confidence in them that would encourage rather than harm investment.

If I might say so, Mr. Speaker, legislation of this type prevents people from misusing opportunities that may come to them through the existence of a market economy, and helps strengthen the existence of such an economy in the interests of the public generally. The hon. member for Peace River went on to review certain clauses of the bill in an attempt to show that they gave unwarranted power to the minister and the officials. But after referring to certain clauses he weakened his argument somewhat when he discovered that in fact there was the right of appeal, at least with respect to certain of them.

Mr. Baldwin: Just one.

Mr. Gray: Several of them, I think, not just one. I would like to point out to the hon. member and the House, Mr. Speaker, that if I am not mistaken authority of the type which he complained about is found in legislation governing the operations of trust and loan companies, and banks for that matter—legislation that has been on the statute books for