

In addition we took advantage of the sanctions incorporated in the four bills that came to us lately, the Canadian and British Insurance Companies Bill, the Foreign Insurance Companies Bill, the Trust Companies Bill and the Loan Companies Bill, and we borrowed those sanctions which were much tougher than the sanctions in Bill S-17 as it came to us, and we included those in Bill S-17. The result was that if the Superintendent at the stage that he is investigating comes to the conclusion that there is something radically wrong in the company and if steps are not taken at once there may be a dissipation of assets by the time a report is made to the Minister. Who knows what hand might be in the till, and by the time you took effective possession through bankruptcy proceedings or winding up proceedings you would have possession and authority but you might not have the assets. So we adopted one of the sanctions in those bills giving a clear right of way to the Superintendent of Insurance so that he might immediately take possession of the assets of such company. As the first step in such circumstances, we felt it not only desirable but essential to protect the assets, and the Superintendent can move in right away and take possession of them. Such initial step is being taken in the interests of the lenders of the money.

Having done that, other sections provide for further investigation giving rights to the company affected by this—for instance, a right to appeal to the Exchequer Court, which appeal is final. The essential thing is to preserve whatever assets there may be, to insure that there is no further dissipation. The Superintendent went along with this. He said, "How can I object to putting it in Bill S-17 when I put it in these four other bills?" We thought that that was a pretty strong argument in our favour. That proposal was accepted.

Then having brought all these provisions into force at once, at least so far as the registration provisions are concerned, we now have a strong bill. As and when it becomes law, you have a strong bill because of the reporting procedures, the full authority of the Superintendent in consultation with the Minister, and the registration, and then the effectiveness of the registration and how it is an instrument of control over the kind of corporation that is subject to this bill. If their registration is suspended, they cannot borrow in that period, and if it is withdrawn they cannot carry on any business. But the Minister may suspend and may issue an interim or

temporary certificate with conditions attached and may give them a certain length of time to comply with these conditions, and if they do not, then he may withdraw the certificate. This parallels somewhat the provisions in the original insurance company acts, trust company acts and loan company acts. It is not novel, but it is a good application of that principle to this bill and makes it a stronger bill.

On the other side of the ledger, we thought the authority given to the Superintendent and to the Minister in relation to auditors was a little more than should be the case, because after all the auditors of the company are the shareholders' auditors. We defined the qualifications that an accountant should have to be an auditor of a company of this kind, and then we gave the Minister certain powers to request information and a report from the auditor on the adequacy of the protective procedures used in the company and things of that kind. So, we are preserving the dignity of the auditor and his position as shareholders' auditor and yet presenting a way in which information could be made available to the Minister and the Superintendent. It was a question of the approach to deal with the situation.

I should tell you that notwithstanding some comment that I have heard in some places, on which for the moment I shall just regard myself as being uninformed, this is a major piece of legislation. There can be no doubt about that. I think strong evidence of this will be seen in public acceptance and appreciation in all areas even among the people who appeared before us and their cases. They certainly expressed themselves as being well satisfied with the hearings they received and with the understanding shown by the committee in dealing with this problem. I am satisfied that when they digest the bill they will appreciate the merits of the bill as prepared in conjunction with the Superintendent of Insurance, with our own counsel and in consultation with the Minister of Finance. The result has been to produce an effective bill of a protective nature which deals fairly with everybody. I could elaborate on this but the *Hansard* reports are available so I need not read them to you at this stage.

However, I should add that since the report was presented one item has come to our notice in connection with the matter of the prospectus I referred to earlier. It was felt that there should be some more flexibility. What I am doing now is moving the adoption of the report, but when the bill comes up for