If the definition of investment company is going to continue as broadly as it is in this bill at the present time, and without any exceptions, then we do need some classifications as to investment.

Then what happens in the area of more speculative investment, where directors are knowledgeable and understand market conditions, or in the mining area, where they are able to appraise and value situations and prospects, where they are able to look at business operations and make projections and assessments in the normal course of events, and now, with the aid of computers, where they may go ahead a few years, and may buy accordingly? If the general economics level changes and lowers, by reason of a lot of extraneous circumstances which have no relationship to this particular investment company and its holding, the minister or the Governor in Council by regulation, can issue revised regulations and perhaps shut down the future for this company, by some requirement that their licence be withdrawn or by conditions being attached to it which rob the company of that speculative value or increment that may come in the future.

This is all legitimate operation, as anybody who has experience in the business and financial and industrial world knows. This is the way great companies develop; this is the way small companies become great companies, by their appraisal and their betting on their judgment—and I think this, in some measure, is what some of the public want. They want that opportunity. But if we take every class of investment company that is not covered by these particular statutes to which I have referred, and put them all into a mould where there are general rules, we will have to become very inventive and find some way of dealing with this area of investment companies, to cover that particular company, because the field would not exist if there were not a demand for it.

We are doing more and more each day in the way of full disclosure, both when companies are offering securities for sale and when we are dealing with listed shares, so far as exchanges are concerned. More and more the disclosure is becoming increasingly great, as it should, in the interest of the people who are putting up their money.

But one comes to a stage where the effect of restriction in investment, such as is encompassed by this bill, and by this clause 22, may be such that you shut off that area and that kind of transaction. It may have to find its level somewhere else, but I think we are trying to go too far to cover the ill that we know of. Certainly there have been bad operations, certainly there have been operations which have mushroomed, and have been able to mushroom only so long as they were able to bring money in and so long as they were able to tie that money up in various other enterprises; and the moment, at any level, that the due date was earlier than the date on which they had some more money coming in, then the whole thing collapsed, and in those cases the whole foundation of the investment collapsed.

That is the sort of thing against which the public should be protected. The ideal protection, once you settle on the formula, would be protection where we have the provinces as well as the federal authority in the field, because now, I suppose within limits, one can transfer ones operations from a federal corporation to which this bill applies to a provincial corporation, and it may be in some areas that this would permit a continuance of some operations of this kind.

Honourable senators, I may have spoken for too long, but I said when I started that it would be a long letter tonight and it might be a short letter tomorrow afternoon.

There is more that could be said in relation to this scheme or plan, but the purpose to be served by this bill, in line with certain statements made in the Porter Commission report, is a good one and is in some form designed to provide additional protection for the people who have invested money and whose money is being used for the purposes set out in this bill. But in all sincerity, I say, let us be realistic, let us use the normal methods and rationalization in dealing with this, and deal with a bill that is readily capable of being administered so that we protect where protection is needed, that is, on the use side of the money.

We recognize the ability and the quality of directors—we do not have to assume they are supernumeraries—and of the Superintendent of Insurance. I have the highest regard for him, but I have no assurance that he will remain forever the Superintendent of Insurance, in charge of the administration of this legislation, and we have to look at it objectively. Let us work out the kind of legislation that will give that protection as surely as we can provide it, which will be capable of easy administration and will not further intensify the possibility of loss to those who have money at stake, as against a simpler and maybe more direct method, in the interests of