

the Minister of Finance and to recommend the withholding of certificates of registry as required under the act. In other words, if there is any one official who has the right to blow the whistle on an investment company, it is the Superintendent of Insurance.

But let us assume there is a sales finance company or other investment company subject to the provisions of the act which finds itself in difficulty and its affairs are examined by the Superintendent of Insurance. He recommends against issuing a certificate of registry, he recommends other restrictions on the operations of the company or that he be placed in charge of the assets of the company, as he could and probably would be. In other words, he becomes a trustee of the assets of the company for the benefit of the shareholders and the investors in the obligations of the company. Then the directors of the company, in order to carry on business, come to the Deposit Insurance Corporation for a loan; and whom do they see on the other side of the table but the Superintendent of Insurance? In other words, not only does he act as investigator and as prosecutor, but he must sit as judge as well.

● (8:50 p.m.)

This is the end result of this tacking on of what I would say is a legitimate proposition of protecting the ownership of sales finance companies and also trying to save some shareholders and investors from certain types of, shall we say, financial imprudence rather than perhaps dishonesty on the part of officials of finance companies. But what are we asked to do? We are urged to create a Frankenstein.

The more I read this bill, the more I am appalled at the thinking that this is correct, that this represents the right procedures. I can just imagine the reaction of any hon. member, were he a director of a sales or investment company that found itself in difficulty. He would have to deal with the Superintendent of Insurance, see the assets ordered to be seized or placed under the tutelage of the Superintendent of Insurance and then, making a real effort to bail out the operation he would have to undertake to pay the most Shylock-like terms, only to find that the grantor of the loan on the other side of the table is no one but the Superintendent of Insurance. I suggest to you, Mr. Speaker, that the occupant of that office would have to have qualities absolutely beyond those of any archangel.

I have criticized this bill. There are parts of it which I would like to see enacted but which I believe are wrong in their application. I suggested that the bill is deficient in that it fails to provide for the authority of this House, and I will not have the objections I raised on a point of order dismissed as technicalities. The government is asking this House for authority to be granted to it, the servant of this House—not the master, but the servant—to spend moneys which the Constitution does not give the Governor in Council the right to do. In other words, if the recommendation is deficient the cabinet are saying, "We will patch it up. We will do a little papering-over job and that will be right." But, Mr. Speaker, this bill was given first reading and only then did we see this recommendation.

#### *Investment Companies Bill*

In actual fact, sir, this is a debate without prejudice, but I will renew my caveat and my objections. I want to see the appropriate recommendation accompany the bill, and not this slipshod work. It is terrible work on the part of someone, to bring in the bill with this type of recommendation. It is an affront, actually, to the authority of this House and for that reason I am so insistent upon the matter.

Depending upon what the government does with regard to the recommendation, I certainly am withholding my consent to any second reading on this occasion. As a matter of fact, I have not quite made up my mind whether I will support second reading of the bill. Frankly, there are certain things about it that appeal to me, but on the other hand I do not think the finance committee is the place to take sloppily-prepared bills and try to dress them up as we had to do with the Canada Corporations Act, which also was Frankenstein-like, prepared by people who did not know where they were heading. Yet the minister has had the effrontery to say that the House should consider this legislation quickly and get on with the job. I recommend to the House that we give this legislation extremely careful examination before we even think of consenting to it.

**Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I understand that the question on second reading of this bill will be deferred until Your Honour has an opportunity to deal with the procedural objections raised by the hon. member for Edmonton West (Mr. Lambert). I would submit that when Your Honour does have the opportunity to consider the very learned and detailed argument that was presented to us by the hon. member, you will agree that His Excellency's recommendation cannot possibly deal with all the details of the expenditure of public funds that a public bill of this nature must encompass, and that the recommendation appended to this bill does cover in fact, in spirit and in law what is required.

I would be the last to dismiss as technicalities the objections raised by the hon. member. I think they were important objections. They were objections that in substance were raised and dealt with last year in this chamber during debate on the former legislation which, regrettably, did not proceed beyond the committee to which it was referred. Nevertheless, I think that the recommendation does deal with the essentials of the bill.

As the hon. member and indeed the Minister of Finance (Mr. Benson) before him, indicated, this is the third time this bill, in its essential features, has come before us. We have had a comprehensive historical survey of its legislative history. I do not care to editorialize further on that matter except to say that people who have been the victims of lack of control in this particular area of financial institutions may wonder why three years after such a bill was introduced we have not yet disposed of it in Parliament.

The hon. member for Edmonton West has raised a number of specific details and I think some of them are very important. The hon. member has objected to the concept that under the bill the auditors appointed with