

Canada Corporations Act

ready indicated, a great number of changes were made in this bill at the committee stage. These changes greatly improve the bill. In many sections the bill is barely recognizable. I am sure all members appreciate the greater flexibility in incorporating federal companies and the alternative method of amending companies which have a federal charter from this House. I think that is a big improvement.

With regard to disclosure, there is certainly a vast improvement on takeover bids. Those persons or organizations taking over a federal company now have to pay the same price to all shareholders of the company, not just the majority of shareholders, leaving the small shareholders high and dry with 10 per cent or 15 per cent and at the mercy of the takeover principle. I am having a tough time, Mr. Speaker.

Mr. Deputy Speaker: Order, please. Can we have quiet in the chamber.

Mr. Lambert (Edmonton West): There are also improved conditions with regard to the solicitation of proxies. The changes in the act are more in keeping with the representations of the witnesses who appeared before the committee. The act is improved to that extent. My complaints about what the minister calls disclosure by private companies certainly were not argued during the 19 committee meetings. The minister was not there. Outside of two or three minor witnesses, everyone was against the features that the minister indicated. Quite frankly, some of them will be in a difficult position. They would get out of their federal registration if it were not for the difficulties with regard to taxation; there is no doubt about that. I say to the minister and to those members who are solicitors that clients will not be advised to incorporate private companies under federal charter.

There are many improvements in this bill. It was good that the bill was before the committee. We spent many long sessions on it. I think the committee members should express their appreciation to those members of the public, associations and companies who made many constructive suggestions which were accepted by the minister. This is an important bill and I am glad it received the treatment it did. But the minister retreated on one point. Frankly, we think he spoiled a good deal of the bill by the limits he imposed on disclosures of private companies. This bill is not so good because of that action.

Mr. Saltzman: Mr. Speaker, we find it very difficult to understand, with the takeover of Canada by international corporations, why a Corporations Act should be introduced that does not take this serious problem into consideration. We find this bill most unsatisfactory. The fact that it cleans up a few minor matters relating to takeover and proxy voting does not commend it, in light of the problems facing this country. We hoped the minister would do the same with the Corporations Act as was done with the Bank Act, namely, limit foreign ownership to 25 per cent and include a clause that would provide some exceptions.

● (9:40 p.m.)

We should change the assumption which has been made so far about foreign ownership and which has led us into our present situation, namely, that all foreign investment, no matter how it behaves, is good. That assumption should no longer be made. There may be cases where foreign investment would be valuable to Canada, and opportunities should be available for a case to be made; but from now on the assumption should be that there has been too much foreign investment and a halt must be called. If we do not do that, the question of disclosure by corporations, proxy voting, and so on, will become the least of our considerations. This is our objection to the bill as it stands.

There is another objection related to the disclosure provisions but, as I say, our principal objection is that the bill fails to deal with the serious problem of foreign ownership. One of the less desirable features of foreign ownership is that decisions are not made in this country; that laws made in other countries intrude into Canadian affairs, making it difficult to take certain actions. Then again, we do not know to what extent research is being carried out abroad at the expense of research which would otherwise be carried out here.

If the present situation continues to develop, this country will be deprived of the ingredients necessary to our continuance as a nation. We have recognized already the serious danger which exists in connection with specific fields such as banking and financial institutions generally, newspapers and television. It is important, while we are debating the Corporations Act, to point out the need for enacting similar provisions with regard to all corporations in Canada. Nobody wants to be faced every month or so with the need to