

public companies. I personally feel that an enlightened company today—and this includes most of our major corporations—relies on disclosure of information to the public and to the shareholders. This is a protection to the companies. I think that when there is insufficient disclosure, the stocks are sometimes underpriced. There are takeover manoeuvres which go on sometimes. I do not feel this really helps the shareholder; on the contrary, in certain instances it may be contrary to the interests of the shareholders. Further, I think we are getting here partly at the problem of insider trading. I think that the Ontario jurisdiction certainly appears to be one of the more important consideration and it seems to be moving in the opposite direction. Every securities exchange commission in the province is moving in that direction, and suddenly we in the federal scene would be moving in the opposite direction. I feel this is contrary to the present trend and contrary to the public interest.

Mr. LAMBERT: And yet, Mr. Chairman, this appears in the revised Companies Act.

Mr. MOREAU: We have not been able to find one that had.

Mr. DOUGLAS: Do I take it that the documents referred to in section 121F, subsection 2 have to do with documents referred to in section 121E, subsection 1?

The CHAIRMAN: Yes.

Mr. DOUGLAS: Those are documents which are mailed to each shareholder, so therefore all you are saying, if the committee accepts Mr. Moreau's amendment, is that none of the documents sent to a shareholder can be withheld, and that they shall be open to the public.

The CHAIRMAN: That is my understanding of it.

Mr. DOUGLAS: It seems to me that if it is information which is given to the shareholders, there is no reason why the public should not have access to it. Already under section 117 certain information may be withheld from the shareholder, if it is confidential information which would harm the competitive position of the companies. That is already being withheld from the shareholder. However, if it goes to the shareholder it ought to be available to the public.

The CHAIRMAN: If there is no more discussion I will put the question on the amendment. Is everyone agreed on the amendment? There is a request for a recorded vote. All those in favour of the amendment? Nine. Contrary? Three.

Amendment agreed to.

Sections 122 to 124 inclusive agreed to.

Shall the clause as amended carry?

Clause agreed to.

Clause 40 agreed to.

On clause 41—*Special returns*.

Mr. MOREAU: I have a comment on section 125A, Mr. Chairman. The consequential amendment of the action we took on section 121F I think applies again in 125A. I do not quite understand the reason for having this section at all.

Mr. LAMBERT: It deals with the private company.

Mr. MOREAU: I wonder what sort of special terms we are dealing with here?

Mr. LESAGE: This section 125A was borrowed from the Ontario Companies Act and was rejected as such in the Senate because the previous text gave authority to the Secretary of State to ask companies for any type of information, and so the private companies when asked by the Secretary of State would have had to disclose more than the public companies. Therefore 125A(1) was