

Canada Corporations Act

and they would not have to look too far to get it, whereas consumers badly need a friend.

Although in some respects we agree with this legislation because it is long overdue and it is housekeeping legislation, and we are prepared to go along with it, we in this party know it is merely a sop. The affairs of the country should be organized in such a way as to protect the consumers. The minister should not be misled into thinking that we will accept this bill as a substitute for genuine legislation to put the affairs of the country into order so that consumers can have a fair show.

Mr. John Burton (Regina East): Mr. Speaker, this legislation brings a very important subject before hon. members, and one that urgently requires debate. Corporations operating within the framework of our economic system are an important and essential instrument for carrying on economic activity and for carrying through our economic organization. They enjoy a special status in law, and their importance has grown with the evolution of our economic system.

The role and importance of corporations have changed throughout our economic history, particularly over the past 50 to 60 years. In many respects the role of the corporation and the power it enjoys has resulted in it becoming something of a monster, a monster which we have created and which in many respects is now beyond our control, particularly in view of the type of government we have, which fails to take any action to ensure that corporations operate in the public interest and that the public interest is adequately taken into account.

The situation necessitates very careful consideration of this legislation. It must be examined in a context far beyond the particular contents of the bill, far beyond the particular recommendations which the government is placing before us. This bill, Mr. Speaker, tinkers with the present structure of corporations and corporation law and it attempts to effect a number of repairs which, it is thought, will fix up the law, fix the system and make it work adequately.

• (4:10 p.m.)

In themselves, some of these changes and recommendations are important and some of them are very useful. Provisions with respect to the handling of and requirement for financial statements, the whole situation with

respect to insider trading, takeover bids, proxy solicitation, inspection and investigation, are important matters in themselves. They require and deserve adequate consideration by this House and they do have a place in our corporate law. There is also a provision which is a rather weak, timid step along the lines that some of us have advocated. I refer to the provision to allow companies to restrict their shareholders to Canadian citizens. I hope that this weak, faltering step is only the first step among further measures that will be taken to ensure a greater degree of Canadian control over our economic activity.

I want to deal in particular with two features of this legislation. They refer to financial disclosure and with respect to the incorporation of certain types of companies and with changes that are made in the bill with respect to incorporation procedures. But first, Mr. Speaker, there is a basic comment that I think should be made. This bill, I suggest, by implication states the government's faith in the ability and willingness of corporations and of the entire economic system, as it is now structured and as it now operates, to respond adequately to the needs of the time.

In my view, Mr. Speaker, such faith is ill-founded. In fact, we have seen many examples of the degree of corporate control over our economy. Corporations do exert a control which ignores the public interest and which does not take into account the views of governments. Within the past couple of days there have been a couple of weak steps which the government will certainly play up in its favour; but I suggest that there are other, more ominous developments in the offing in that respect.

I also suggest that the faith exhibited by the government in the present corporate structure and in the operation of our economy is ill-founded, because of our present economic situation. We have seen many illustrations of corporations failing for the most part to respond to attempts made by government, however weak these attempts might be, to take action to hold off with price increases or to exercise some degree of restraint in order to ensure a measure of stability and balance in the economy.

Within the past couple of years in particular, corporations have completely ignored the public interest. They have carried on their programs with the sole thought of bettering