

Canada Corporations Act

Corporate Affairs will issue the appropriate certificate on the recommendation of the minister concerned. This leads me to ask the following question: What will happen in the case where the minister concerned said no? Presumably he has full discretion as to why he should authorize or withhold the authorization or recommendation. We wonder just what considerations shall apply. I warn the minister right now that we shall look into this point very carefully and study what shall be the requirements imposed upon the recommending minister. Those requirements must be outlined clearly, otherwise there will be areas of discretion which could be used improperly. This question must be cleared up.

I am in favour of the provision that existing companies may be brought under the provisions of the act at their own request and with the proper safeguards. This provision will remove an abuse that has grown up in the House whereby justice has not been done to entirely bona fide people whose businesses were quite legitimate and who, for reasons best known to the parties concerned, were prevented from obtaining justice from this House. I think our whole system has fallen into ill-repute as a result of the abuse of rules with regard to the incorporation of such business concerns, or amendments to their acts, in that appropriate restrictions were not imposed upon members of the House with regard to a discussion of matters that were before them. In other words, an application for a change of name allowed a complete discussion of the whole operation of a company.

Another matter to be considered is proxy voting. I agree with the minister that more information must be disclosed in this respect. I hope that the minister and the House do not expect me to reply fully to a detailed statement which took 45 minutes to read, after hearing it just once. If a copy had been made available to me beforehand, this may have been possible. I recall a comment that was made about the British Parliament. A minister came into the House carrying a portfolio and the opposition whip said, "Surely the minister will not read that whole document and then bore us with an equally long speech".

This is our problem when a minister comes into the House with a very carefully prepared statement. We do not deny him authorship or part authorship of the statement, but the opposition must then comment upon what he has said, if we are to have a proper debate. The only thing on which one can go is the

[Mr. Lambert (Edmonton West).]

fact that the bill was presented and that there was a press release, which fortunately I saw last May and kept in a file-cover in anticipation. But beyond that it becomes rather difficult.

I wonder just what is the justification for the so-called Watkins task force. I must be careful not to confuse the manifesto with the task force. I am wondering whether the minister read the manifesto as background for the provision to control, examine and inspect certain corporations. I think there should be some respect for the privacy of business operations. For instance, I find it somewhat difficult at the present time to understand why the minister may want the source and application of funds statement to be filled by private companies. There may be a good reason for it. What is so sacrosanct about the figure of assets of \$3 million or gross revenue of \$3 million? Why those particular figures? The minister did admit they may have been an arbitrary figures. Presumably we will in the committee, be getting reasons for this.

I fail to see why the minister bothered to quote at length the conclusions of a committee in which he took an active part and, therefore, might have a less than objective judgment on the conclusions of the committee to serve as the recommendations for action he may be taking in so far as disclosure of financial statements is concerned. I do not like to think that unless some of the major provinces adopt precisely these provisions there will be no incorporation of federal companies and foreign interests will simply come in with their own company, register in a province as a foreign company and then register in whatever province they may wish to operate.

● (9:10 p.m.)

As a matter of fact, on occasion corporate lawyers have said to me, "Frankly, we see no advantage whatsoever in getting a dominion corporation." The stickier becomes the incorporation, and the stickier become the regulations under which incorporation may be granted, the less will be the incentive to incorporate under a federal charter.

In 1965 when I was on the committee I had a lengthy discussion with the then Registrar of Companies. I suggested to him and to others that it would be more efficient to get more companies to register under the federal charter if certain provisions could be loosened up, otherwise we would lose the opportunity to incorporate companies under the federal act. As a matter of fact, when I was practising law I knew several parties who, having