

*Corporate and Consumer Affairs*

commissions. Fourth, we should contemplate the establishment of a federal presence in relation to international and interprovincial trading in securities. My own view is that a federal presence in some form is necessary in the national interest. The co-operation of the provinces is essential and we will be proceeding in close consultation with the provincial governments.

I also wish to say something about the work that is in progress to prepare amendments to the Canada Corporations Act. Basic revisions in the act are needed to bring it up to the most modern standards in terms of the responsibility of corporate management to the public and the protection of the rights of individual shareholders.

For this purpose we appointed Dr. R. V. Dickerson, a distinguished lawyer and accountant, to call together a task force of academic experts and practising lawyers to prepare recommendations for the amendment of the act. We intend that the new amendments to the act will enable it to be applied in concert with, rather than in isolation from, the general economic policies of the government. Dr. Dickerson and his colleagues have been hard at work for the past few months preparing their recommendations. Problems of insider trading, minority shareholder rights, the form of incorporation, proxy solicitation, and the duties of directors and auditors are all being considered. As the recommendations are prepared they are being reviewed by an interdepartmental committee of government officials so that they will be consistent with the policy objectives of all the competent departments. The recommendations will also benefit from the expertise of such departments. When the interdepartmental committee has completed its work, a panel of practising lawyers from across Canada will then review the recommendations. A similar group of practising accountants will also be asked to review the recommendations. A group of leading business executives will also be called upon to give their views on all the suggested amendments. When all these ideas have been collated a bill will be prepared for submission to parliament.

I was disturbed to see one press comment to the effect that the government was not proceeding in this matter with a sufficient sense of urgency and that the revision of the act was still at least a year away. This is not the case. We intend to have this bill ready for introduction in parliament early in the spring.

[Mr. Turner.]

[Translation]

Finally, I want to make a brief comment on another division of the department, to which I referred incidentally. Naturally, the Combines Investigation Act is intended to maintain competitive markets, in order to ensure the efficiency of operations and a better distribution of the resources in the private sector of the economy. Of course, it is essential that our combines policy be closely related to our general economic programs, including those concerning tariffs and those which will probably be proposed following the study now undertaken by the government on the structure of Canadian industry. As the house may see, the Economic Council has undertaken a comprehensive study of our legislation and our program with regard to combines, which might lead to suggestions concerning new legislation.

Mr. Speaker, I think I should mention one or two sectors where there are problems. One of those problems is the fact that most services are now exempt from anticombines legislation. Moreover, I am sure the council will examine the part played by amalgamations in Canadian industry. It will want to see to what extent amalgamation is necessary to ensure efficient operations and to develop a spirit of competition in a particular concern. It will undoubtedly study the sort of criteria and discretionary powers which would be best for the enforcement legislation concerning amalgamations.

More generally, the council will doubtless want to find out to what extent there could be more flexibility in some sectors of the program on combines, provided civil procedures rather than penal legislation could be depended upon. This involves complex legal matters that include constitutional problems.

[English]

While we are waiting for the studies and recommendations of the Economic Council we will continue to make the enforcement of the present act as effective as possible. The Attorney General has now adopted the practice of instructing legal counsel for the crown to recommend severe penalties for offenders under the act when given an opportunity to do so by the court. It is important that the level of fines imposed must not be so low that they become an "acceptable cost of doing business". At the end of the fiscal year the combines branch was conducting 57 formal inquiries into suspected contraventions of the act. In addition, 21 preliminary inquiries of an extensive nature were under way which