

*Canada Corporations Act*

It would require information from all companies in Canada, not just the federally incorporated companies. In any event, if there are votes on these amendments I would request that they be deferred so that they can all be taken together.

● (4:20 p.m.)

**Mr. Lambert (Edmonton West):** It must be remembered that this is an amendment to an amendment to the Act. In actual fact, it covers part of the disclosure provisions in the amendment put forward by the minister. It would add to the number of public companies on the register of the Crown, as well as to those private companies referred to in the second amendment, bringing them within the group of companies which must make certain disclosures.

The information which is sought here in the amendment before us would really be meaningless. As far as the private companies are concerned, their number is 375, and the total number of private companies operating under federal jurisdiction is, I believe, less than 9 per cent of the total in the country. All the companies operating under Ontario Charters—and I suggest they amount to nearly 50 per cent—and all those operating under the charters of the common-law provinces in the west, operate under the same kind of company law. So, what we would be doing is this: we would be picking out a very narrow sector of Canadian companies and asking them to make available certain information. But for what useful purpose? I can see none except, maybe, to satisfy the curiosity of a few Paul Prys, certain individuals who would have to pay a fee to look into company files.

What is the purpose? The rule should apply to all, and unless it does there is no useful purpose served by an amendment of this type. I cannot see my way clear to supporting it at all; I did not support the initial amendment, in the first place.

**Mr. Steven Otto (York East):** I believe the mover of this amendment is under the misapprehension that the more information which is given, the better. In some way this amendment is supposed to indicate to a corporation where to invest its money, how it is to expend its advertising funds and so on.

I should like to bring the section to the hon. member's attention. The act stipulates that certain matters should be disclosed to the shareholders; for example, the extent of funds derived from current operations, through the sale of non-current assets, iden-

tifiable assets and issues of securities. This is all intended to give the shareholder some knowledge in the event that there are inside trading arrangements of which he might not be aware. Later on, there is a reference to funds applied to the purchase of material assets. This is in case one of the directors, on the inside, might have been able to pawn-off on the company certain assets detrimental to the position of the shareholders. There is a further reference to disclosure of information with regard to purchases of redeemable stock. It might be that a company had issued redeemable stock which had fallen into ill-repute. Then, when the company was about to make it 100 per cent good, one of the "inside" directors might have acquired it so as to make a profit for himself.

If the hon. member would study this section, he would see that the purpose is to require disclosure of information to shareholders which it is necessary for them to know before deciding whether or not to support the board of directors or the management of the company. It is not a section designed to make possible the provision of all kinds of information or one by means of which a government, whether federal or provincial, may dictate to a corporation the way in which it should run its business. It is intended merely to protect shareholders against eventualities which might prejudice them as shareholders.

**Mr. John Burton (Regina East):** I wish to say a few words in support of the amendment put forward by my hon. friend from Waterloo (Mr. Saltzman). Information as to both the source and the application of corporation funds is a most important aspect of the financial statement made by a corporation. This is of particular significance in view of the concern felt in Canada at the present time with respect to foreign ownership, a concern reflected in the fact that a study is presently under way in government circles to help determine future policy with respect to foreign ownership and development in Canada.

The principle that adequate information should be provided by corporations has already been acknowledged. Among the information which should be required from all these corporations is disclosure of figures relating both to the source and the application of their funds, and especially to the non-resident aspect of such funds. My hon. friend from Waterloo has dealt adequately with specific features such as advertising, and in the