

develop high and uniform standards of security legislation and regulation. (p. 348).

The report also draws attention to some particular problems which should be tackled if Canadians are to be encouraged to invest in Canadian businesses. The stock exchanges should impose more stringent listing and disclosure standards, including more disclosure of "insider" holdings and trading (pp 337-8). "Standards of disclosure in this country are still inadequate" and should be improved by securities and companies acts (pp 349-352). Brokers and dealers should also be urged to disclose their own financial affairs much more fully. The Commission recommends that the primary distribution of shares through stock exchanges, which opens the way to abuse of investors' interests, should be stopped. In order to ensure that unregulated companies are not free to solicit funds from the public, the steps taken by some provinces to remove exemptions for short-term issues from their securities legislation should be generally adopted (pp 352-53). Finally, securities and mutual fund salesmen should be more carefully examined than at present before receiving their licences (p.353).

(c) Non-financial participants

The Commission reviews the results of its exhaustive survey of the financial position of 1200 Canadian households in Chapter 2. It finds that the pattern of assets and debts is generally rational (pp 16-22); that few households are abusing their borrowing powers (p. 21); and that much instalment and mortgage debt merely replaces previous real but unrecorded commitments for rent, laundry services, transportation, etc. It also finds that lower individual equity holdings in Canada than in the U.S. are largely due to the lower incomes of Canadians, and a lower supply of equities, although investor attitudes may also be important (pp 30, 335-6). Increased equity holdings will thus not be brought about merely by exhortation: securities and disclosure legislation, tax incentives and increasing real standards of living are more important factors (p. 31).