

Corporations and Labour Unions

Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act, commonly referred to as CALURA.

The Government has wanted to amend this legislation for some time. In May of 1983 the previous Minister, the present Minister of Public Works (Mr. McInnes), had written to me suggesting at that time the changes he wanted to make to the Corporations and Labour Unions Returns Act. I should perhaps take this opportunity to thank the Minister for giving me the general outline of what he wanted to do at that time in terms of amending the legislation.

Subsequent to receiving that letter from the Minister I conferred with a number of people in the academic sector, and others as well, in order to ascertain the effects of making these changes to the Act in question. The Minister indicated he did not foresee any objection at all to the changes he wanted to institute, and I must report the Minister was correct. In fact, by and large, people were supportive of the initiative. However, I should take a minute, nevertheless, to indicate, through the Parliamentary Secretary opposite, to the Minister and perhaps to the Minister's predecessor that I appreciate the advance notice given to me in describing in general terms the proposed amendment to the legislation.

The CALURA program was initiated in 1962 to determine who owns and controls businesses in Canada. The program gathers data on the degree of foreign control in the Canadian economy as well as the location where Canadian enterprises are concentrated.

This legislation provides on the one hand for the reporting of ownership and financial information for the corporations, while on the other hand provides for the reporting of membership and financial information for labour unions. The annual parliamentary reports of CALURA are a unique reference material. It gives the extent of foreign control of corporations in Canada and the affiliations of Canadians to international labour unions. That report, tabled with all Members of Parliament every year, a copy of which I have in hand, has been a very useful tool to me as a Member of Parliament in terms of determining what control foreign ownership has in our economy, and, of course, in our labour unions.

In 1983, the previous Government made a number of amendments to the legislation. It established at that time calendar year reporting. This was at the request of certain government Departments, particularly the Department of Regional Industrial Expansion, which felt it would be more useful to it to have the information on a calendar year basis. Another feature of the 1983 Bill was the imposition of a 16-page financial questionnaire on corporations and labour unions. That was in addition to a 4-page questionnaire on technology transfer which again has proven to be a useful tool.

Notwithstanding those useful changes, it soon became apparent that the requirement of filing on an annual basis was not convenient for corporations and labour unions simply because it is not the way in which a large number of them operate their enterprises. Most people operate their fiscal year

based on whatever is more convenient to them in their own business, having regard for the period of the year when they are less preoccupied with other things.

The Government some years ago also provided a number of regulatory changes to the Act. The Act does provide for the Minister to order certain procedures to be performed by regulation. Some of those regulatory changes made in 1983 concern corporations whose financial information can be obtained under the Income Tax Act or the Statistics Act. Therefore, the 1983 amendment made it possible to get the information elsewhere, saving some individuals from having to comply with the Corporations and Labour Unions Returns Act.

I understand that through the amendments that were made recently to the regulations, and with the passage of this Bill, the Government estimates that it will be able to save some \$6 million annually for the business community because the majority of companies will now have been exempted from reporting financial information.

We do have a few concerns and I want to express them briefly, just to bring them to the attention of the Parliamentary Secretary and, through him, to his Minister.

The proposal in the Bill stipulates that the data collection be made on a fiscal year basis as opposed to the present calendar year collection. While I have no objection to that, because it will save money for corporations and possibly for labour unions, I think it is important to note that those changes should be done in such a way as to ensure that during the first year of change the information provided to Parliament in the annual report of CALURA remains as exact as possible. When we are transferring from calendar year to fiscal year there could be a certain degree of inaccuracy in the first year of change. I have met with officials of Statistics Canada. They have informed me that in fact the calendar year they had was really a "modified" calendar year. In other words, it did not operate purely from January to December. The present legislation provided that there could be a two or three month flexibility in terms of the reporting period. In view of the fact that a large number of corporations already have a year-end in November, December, January or February, there will be a certain degree of accuracy built in, because the existing system was not the pure calendar year, but a flexible or modified calendar year, as Statistics Canada has recently called it.

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Therefore, there are provisions to correct that. Notwithstanding that, I am looking for the assurance from the Minister or the Parliamentary Secretary that the accuracy of the results in the transitional year will be as good as it has been in the past.

I wish to refer to the second part of the Bill, which is to amend the Corporations and Labour Unions Returns Act. It is an extremely valuable source of information in regard to foreign control of the Canadian economy, and we have all