

*Canada Corporations Act*

amendments, however, provide that in some circumstances individuals or companies can be required to reimburse the administration.

Some may raise questions as to the additional reporting requirements that some of these amendments will impose on the business community. Many of our federal companies are already required to comply with provincial reporting requirements under the securities acts of the provinces. For these companies the amendments are not likely to result in a much greater burden. Great care will be taken to ensure a high degree of uniformity in the development of the prescribed forms.

● (8:50 p.m.)

We have already begun to discuss with the provinces ways and means of eliminating unnecessary duplication of reports. There is no reason why we cannot, in close co-operation with the provinces, minimize the amount of duplication. We will continue our efforts in this direction just as we have tried to make our proposals as consistent as possible with provincial legislation.

We have taken the opportunity in Bill C-4 to deal with one very different kind of problem, the question of companies incorporated by special act of Parliament. As hon. members are aware, various categories of companies such as pipe line companies, trust, loan and insurance companies and railway companies cannot now be incorporated under the Canada Corporations Act or any other statute of general application. They can only be incorporated by special act of this Parliament.

The pressure of other business does not always permit the setting aside of sufficient parliamentary time to consider and dispose of requests for special acts to incorporate new companies or amend the original incorporating statutes. As a result, great inconvenience can at times be caused to the companies involved because of the uncertainty of the procedure and lengthy delays which are sometimes involved. We therefore propose an alternative procedure to the special act machinery.

In the case of pipe line companies, insurance, loan and trust companies, letters patent of incorporation could issue pursuant to the Canada Corporations Act with the concurrence of the minister responsible for the department concerned or any other minister named by order in council. In the case of railway companies, the granting of letters patent would be subject to the issue of a certificate of public convenience and necessity

[Mr. Basford.]

by the Canadian Transport Commission. Companies of this type now governed by special acts would be allowed to apply to become companies subject to the ordinary provisions of the Canada Corporations Act. The amendments do not apply to banks, telephone and telegraph companies which will continue to be governed by the special act provisions.

We have taken great care to ensure that the public interest continues to be a paramount consideration when dealing with these special types of companies. In our view the protective measures embodied in the amendments will be sufficient to ensure that the public interest is well served. I am confident hon. members will come to the conclusion that this is a commendable step which will result in a considerable saving of the time of the House and greater convenience for the companies involved.

Finally, I should draw the attention of hon. members to the provisions of clause 4 of the bill. This clause would permit companies to restrict their shareholders to Canadian citizens or residents if the shareholders are unanimous in wanting such a restriction. At present, companies incorporated under the Canada Corporations Act do not have this power although certain federal regulations, particularly in the broadcasting field, make a certain degree of Canadian ownership a requirement.

Since this bill was introduced in the last Parliament we have received representations pointing to a number of difficulties in clause 4 as it now stands. We have been studying the problem for some time and I am hopeful that when the bill is discussed in committee I will be in a position to offer for consideration and study an amended or improved version of clause 4.

I am confident hon. members will share my view that Bill C-4 is a piece of legislation that deserves the support of the House. I apologize, Mr. Speaker, in this introductory statement on second reading for taking so much of the time of the House, but these are comprehensive amendments to the Canada Corporations Act covering new and very important disclosure provisions, insider trading, takeover bids, proxies, investigations and inquiries. I thought it was, therefore, important that I should make a long and detailed opening statement. I commend these amendments and this bill to the members of the Finance Committee and trust I will receive the support of that committee in dealing with Bill C-4.