

## ROUTINE PROCEEDINGS

### FINANCE

TABLING OF LETTER FROM MINISTER OF FINANCE TO CHAIRMAN OF STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS

**Hon. Herb Gray (Minister without Portfolio):** Mr. Speaker, I wonder if I could have your indulgence to revert to motions for the purpose of tabling a document under Standing Order 41 (2).

**Mr. Speaker:** Is this agreed?

**Some hon. Members:** Agreed.

**Mr. Gray:** I should like to table at this time copies in English and in French of a letter from the Minister of Finance (Mr. Benson) to the chairman of the House of Commons Committee on Finance, Trade and Economic Affairs, which was sent to him today.

At 6.07 p.m. the House took recess.

### AFTER RECESS

The House resumed at 8 p.m.

## GOVERNMENT ORDERS

### CANADA CORPORATIONS ACT

#### ADMINISTRATIVE AND CONSEQUENTIAL AMENDMENTS

The House resumed consideration of Bill C-4, to amend the Canada Corporations Act and other statutory provisions related to the subject matter of certain of those amendments, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and Motion No. 7 (Mr. Burton).

**Mr. Saltsman:** In my earlier remarks, Mr. Speaker, I was pointing out that a great deal of waste occurs in the private sector and passes unnoticed because we assume that the private sector has the right to keep its business to itself. We fail to take into consideration the fact that waste, whether it occurs in the public or the private sector, affects every citizen of the country because it ultimately reduces his standard of living and has the same effect as the imposition of an additional tax.

### Canada Corporations Act

The business organizations that appeared before the committee took the position that disclosure was a very bad thing, that it was sheer idle curiosity on the part of those who wished fuller disclosure. Businessmen should realize that disclosure may not be a bad thing and that in many cases it may be of considerable benefit to them. We have to assume that most businessmen do not like waste any more than do parliamentarians, and that they would like to avoid many of the difficulties which result from business operating blindly.

I say this without tongue in cheek because I have seen many businesses suffer because they did not have prior knowledge of their competitor's activities. If they had had prior knowledge of their competitors' intentions everybody, including the public, would have been better off. I have seen shopping centres being opened when negotiations were going on for another shopping centre in the same area, with the result that nobody could recover their capital investment and eventually they all had to raise prices to try and recover overheads and capital investment. There is no profit for anybody in this situation and the government does not receive the taxes it would like to have. The public does not get the benefit of lower prices, either.

Perhaps the most glaring example of mismanagement, lack of investigation and lack of prior knowledge of business transactions is the potash industry of western Canada. In that case everybody rushed in to develop. They overdeveloped, with government incentives, until it reached the point where nobody could recover their investment. The government is suffering as a result. They have had to prorate production and reallocate the industry because of its failure to regulate itself. The market is not very effective, particularly when business has to plan and make commitments over a long period of time.

The recess gave me an opportunity to obtain a newspaper clipping which I think illustrates that lack of knowledge contributes to business inefficiency and business losses. This article is from the *Globe and Mail* of October 25, 1967, and reads in part as follows:

He quoted the example of a company that built a \$5 million chemical plant in Montreal. The day they got it in operation a competitor announced a new process for making the same chemical at double the productivity and half the cost.

Disclosure will not solve that problem. Having more frankness and a greater awareness of what people in society are doing should benefit everyone. Like MPs, business-