

*Corporations and Labour Unions*

The information collected under CALURA has been reported to Parliament annually and has proven to be a unique and highly valuable reference on the extent and effects of foreign ownership and control of corporations in Canada, and on the affiliation of Canadian unions with international labour unions.

Its prime objective was and is to provide the Government and the general public with objective information on corporate concentration and the extent to which parts of the Canadian economy are owned and controlled from abroad.

When recent amendments to CALURA came into effect in 1983 corporations were required to report on a calendar year basis and to file financial data directly with the CALURA administration. This amendment, which removed the use of tax data for CALURA financial purposes, imposed a 16-page financial questionnaire on about 8,500 corporations. Many corporations were obligated to incur significant expense to meet these requirements. In addition, these same amendments introduced a complex four-page questionnaire on technology transfers.

At that time there were frequent and numerous requests to both the CALURA administration and to this Government to alleviate the paper burden imposed by this legislation on the corporate sector of the economy. This Government swiftly took action, which was warmly received by the business community. On October 8, 1985 the Minister responsible for Statistics Canada announced sweeping regulatory measures designed to reduce paper burden with respect to CALURA and to fulfil the Government's commitment to business to let the private sector operate more efficiently.

The regulatory changes exempted all corporations from filing financial returns under CALURA, whenever similar information is provided under the Income Tax Act or the Statistics Act. In addition, the complex four-page questionnaire on transfer of technology was streamlined from four pages to a few key questions. As a consequence of these initiatives, the Canadian business community has saved about \$6 million annually.

During more than two decades of existence, CALURA has provided the most consistent, complete and detailed information source on the financial structures and degree of foreign ownership of the Canadian economy. This is information that has served royal commissions, government departments and the academic and business communities. Its ownership series have been the basis for virtually all Canadian reports and articles, both public and private, on corporate concentration and foreign ownership of the Canadian economy.

The CALURA reports have made it possible for us to have better knowledge of the structure and behaviour of the leading 500 non-financial enterprises in Canada. The reports show clearly how these enterprises have accounted for more than half of all sales, two-third of all assets, and almost three-fourths of profits. Of the 500 leading enterprises, just about half are foreign controlled. The United States controlled

corporations account for 75 per cent of the sales and 85 per cent of the profits of foreign controlled, non-financial corporations. These facts are essential to any discussion of the corporate sector in Canada, including competition policy and trade negotiations. They can only be established from CALURA annual reports.

CALURA ownership information is available to the public through the Department of Consumer and Corporate Affairs. Due to widespread demands, Statistics Canada has regularly produced a highly popular directory entitled *Inter-Corporate Ownership*, which shows who owns and controls business in Canada. This publication has served many executives, market managers, investors, journalists and economists studying and writing on the corporate structure of the Canadian economy. Ownership data is distributed electronically by private enterprise to banks, financial institutions and other corporations across Canada.

● (1520)

I am told that in a previous federal budget a proposed corporate loss transfer system could not have been analysed without the CALURA ownership data. In many respects the business community itself is an important user of CALURA data, and is a prime beneficiary of this unique and valuable information.

There are other areas of CALURA where the business community has expressed concern. With this amendment the Government is taking the appropriate action to allay those concerns.

When the Act was amended in 1981 a provision was made allowing federal Government policy analysts access to financial and technology data. Since that time the business community has expressed strong concerns that this very sensitive information collected under CALURA should not be accessible outside Statistics Canada. This amending legislation will ensure the strict confidentiality of this data and reinstate a corporate fiscal year for CALURA reporting purposes. Consequently, business will be allowed to operate even more efficiently with less reporting burden and feel reassured with respect to the confidentiality of sensitive information.

The Government has already taken regulatory initiatives to significantly alleviate the burden imposed on business by CALURA, and is initiating the necessary legislative action to further reduce costs while reassuring the business community of the confidentiality of sensitive information.

In summary, this Government has fulfilled its commitment to let the private sector operate more efficiently, while protecting the public interests, by maintaining the unique information supplied by CALURA.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Madam, Speaker, it is my pleasure to speak on behalf of the Liberal Party as the critic for Statistics Canada with respect to