

Mr. MOREAU: As I said, I would prefer to see the whole section go rather than to recognize this principle as embodied in subsection (2), that the Secretary of State requires permission of a chief justice or acting chief justice to make some of this information public. I think this is contrary to the present trend and I am totally opposed to it. As I said, I would rather see the whole section go.

Mr. LESAGE: I would, too. I would agree with you in that connection.

Mr. LAMBERT: In what respect are you making those remarks?

Mr. MOREAU: Well, securities and exchange commissions are moving in this direction.

Mr. LESAGE: But, Mr. Moreau, that is not the same field. That is where a mistake can be made very easily. It is easy to mix up the concept and the principles of the securities commission legislation and corporate law. Corporate law is one thing and securities commission law is another very different thing. From a constitutional point of view, I do not know whether or not the federal government has authority to enter into the field of securities commissions. Because the federal government has not gone that far. I do not think we, through the Companies Act, can achieve something which other jurisdictions do not exercise. The Companies Act must be at the same level of corporate law as the companies act of the ten other jurisdictions.

Mr. MOREAU: Why?

Mr. LESAGE: Because any company incorporated under the federal companies act is also under the jurisdiction of the securities commission, and they must be kept at the same level. If and when the government decides to change the policy in that regard and go into that field, that will be a different story.

Mr. MOREAU: We are getting to the point of whether or not we should lead or follow the provinces. I think the argument could be used in the provinces that they cannot move until the federal government moves. It is being expressed here that we cannot move until the provinces do. Someone has to take the initiative and I think properly it should be the federal government. That is why I was opposed to subsection (2) of section 121F. I do not accept the view that we cannot do it because other jurisdictions have not done it, particularly when we have gone along without it for thirty or more years. I do not even want to see the principle recognized in subsection (2) of section 125A. As I said, I would rather see the whole section go.

Mr. LESAGE: Mr. Moreau, when you say the federal government should take the lead, there may be something in it, but everyone knows, in respect of corporate law, the federal jurisdiction is not the leader in Canada, so far as the number of companies are concerned. We are only one of ten jurisdictions. If we take the major companies—that is, those reporting under the Corporation and Labour Union Returns Act—from a personal review of our own files I note that there is a little less than 14 per cent incorporated federally, whereas there is 35 per cent incorporated in Ontario, almost 19 per cent in Quebec, 12 per cent in British Columbia and almost 8 per cent in Alberta. Next is Manitoba, with about 4.5 per cent. Those figures may not be accurate although they give us enough information to understand that if we do impose disclosure we are putting our federal companies at a disadvantage; we are discriminating against companies incorporated federally. We would be closing the door on federal incorporations and inviting the business people of the world of finance to go to the provinces for incorporation and, nowhere in their legislation, are they obliged to disclose anything. No other companies act in Canada other than the federal one requires the filing of financial statements. For that reason we have kept them confidential; otherwise, we would be discriminating against our own companies.