

Canada Corporations Act

for the provision of balance sheets and profit and loss statements is for the information and protection of persons who are interested in investing in public companies. This is the purpose. But there is no reason for this in respect of private companies because they are prohibited from seeking to distribute shares to the public. It is forbidden for a private company to do that. So, it is not seeking shareholders and will not adversely affect anybody else. If a person wishes to make an investment in a private company, he must make application and before his application can be considered all other shareholders have the right to buy those shares in whatever proportion they may desire. This is the purpose of a private company.

● (4:50 p.m.)

A private company is an expanded partnership with limited liability. Do we want disclosure, and for what meaningful purpose? Not one iota of meaningful purpose has been disclosed by the minister, either in the House on second reading or in committee, whereby he could point out that disclosure of the information would be of benefit to a class of companies. Is it on the basis of the balance sheet or of the source and application fund statement that it will be determined a company has been efficient behind a certain tariff wall, as someone suggested, or because it receives grants? What about looking at a company like Eaton's, which is a private company with many interests and many operations? Which of them are efficient and which are inefficient? Which ones benefit from this particular economic policy and which ones do not, as disclosed by the balance sheet, the source and application fund, or the profit and loss statements required to be filed by law?

What hon. members would like to do really is to go into the books and play God in the operations of the business. I will ask the minister and anyone supporting this type of amendment just who they would like to carry out the appropriate analyses on the basis of this information that is submitted in disparate form. It is not uniform. There is no power to go back to the company to ask them to elaborate on their statements, none whatsoever. So the minister is going to gather a basket of fruit of all kinds and someone will say "my, what a fine looking bunch of grapes or what a fine bunch of bananas or what a fine bunch of rotting fruit". What is the purpose of it?

We know that the proportion of companies that will be affected in Canada is minute, and when one company comes and says that they

want to draw some economic conclusions and therefore want to make some surveys about the operations of private and public companies, I ask: what about all the private companies in the province of Ontario? Over 50 per cent of the companies of the country are under Ontario charter, but not one of them will be touched by these amendments. There is no indication whatsoever that the Ontario law will be changed. There is no indication that the law in Alberta, British Columbia, Saskatchewan or Manitoba—which is pretty well uniform with that of Ontario except that the Manitoba law has a little more flexibility in it in certain areas—will be changed. I find it incredible for anyone to advance serious arguments in favour of disclosure.

An hon. Member: Why not?

Mr. Lambert (Edmonton West): "Why not" is not an argument. It is like saying "because". Originally, the disclosure was for the protection of shareholders and potential shareholders, but as far as that goes the securities commissions exact a lot more and better information of the type which I suggested should be required but is not asked for here. The minister is trying, in a half-hearted and ham-handed way, to do some work that he cannot do because he cannot set up a national securities commission. That is the reason. What we should have established is a national securities commission in co-operation with the provinces. Co-operation from the provinces would be forthcoming, but for the insistence that the national securities commission should be headquartered at Ottawa, away from the stock exchange, and that it would be under federal aegis. This is a co-operative effort.

I have had a number of sources of information with regard to the "non-negotiations" that have been going on between the federal government and the provinces with regard to the establishment of a national securities commission. This is a sort of picayune effort to try to obtain what a meaningful securities commission, having the right to ask for statistics from public companies on a uniform basis, could obtain. That is what is needed for the protection of shareholders. With regard to disclosure for the purposes of carrying out an economic study of one sort or another, that is all very well if the government is able to separate the operations of a company on the basis of the information that is required, even the operations of a public company as it exists today. There is no possible way of