

conspiratorial way while this legislation was being pushed through. He made many inflammatory I would say statements in the course of his comments that suggested the existence of this conspiracy first of all, and also suggested that for some reason the level of executive compensation in Standard Trust was the cause of that company's failure. What I would like to say to him and through you, Mr. Speaker, to the House is that I am not satisfied that we are finished with the inquiry into Standard Trust. The committee has been involved with quite a few other things, including looking at the failure of the Bank of Credit and Commerce.

• (1610)

The evidence that we had when we looked at Standard Trust—and the member for Nickel Belt was there and had an opportunity to ask many questions—did indicate some problems with how Standard Trust was conducting its affairs even in relation to the rules that exist. It certainly did not point to the company failing because of executive compensation, nor did it indicate that had executive compensation been disclosed, somehow that would have saved the company.

The second thing that I found very confusing about his statements in particular were that he seemed to be suggesting that his amendment would allow shareholders to decide the level of executive compensation. Of course what they provide for is merely disclosure. They do not provide that the shareholders would somehow vote on executive compensation.

I think it is important to understand what is happening here. He will know if he remembers during the discussions that we had that I was one who in principle favoured disclosure. There are some concerns that I have about it however.

Mr. Rodriguez: Mr. Speaker, my point of order is that the hon. member has not read the amendment. It says that "the directors of a company shall place before the shareholders for approval at every annual meeting, a list containing the names of the five directors, officers or employees of the company who are to receive the highest salaries to be paid by the company in the next financial year of the company, together with the amount of such salaries".

Therefore, there is approval by the shareholders, brother, and that is what I was saying in my debate.

Government Orders

Mr. Manley: Thank you, brother Nickel Belt. The way it reads to me is that there is the usual requirement for approval of the shareholders. There is nothing in that amendment that requires that the shareholders approve the compensation. It asks for approval of the list of directors. If his intention was to have them perhaps he should rewrite it.

The point I am seeking to make in addition to that is that the concept of fairness surely has to prevail even among chief executive officers. I would think the NDP would agree with that.

I would suggest to the member, if he wishes to do something like this that he bring in a Private Member's Bill related to executive compensation of firms that are governed at the federal level. It would require disclosure of executive salaries, not just for executives of financial institutions, but executives of all corporations that are regulated by the federal government. That would be more fair.

It would still fall a long way short of fairness because—and there is nothing we can do about this without the co-operation of the provincial governments—it would continue to leave out of that system compensation for employees of corporations who are regulated in the provincial sector, all those incorporated for example in Ontario or elsewhere that were not carrying on federal activities.

He would be creating quite a disincentive for top executives for example to move from the manufacturing sector into the financial services sector. Until that system is the same for everybody, I think he is on the wrong path.

I think the final point that I would like to address is this idea that somehow disclosure of salaries is related to the failure of these institutions. That came particularly out of the comments by the member for Oshawa. He suggested that somehow when financial institutions fail, they go on to the public dole. Therefore because these executives' salaries are somehow related to institutions for which guess deposit insurance applies, that in one way or another there is a need for disclosure because public money was involved.

I must say I find that a complete red herring. I think we really need to focus on the issue of whether or not disclosure of executive compensation, either for the information of potential investors and shareholders or for the broader community, should be in place.