

Canada Corporations Act

This warping of a worthy philosophy will undoubtedly have to be eradicated eventually in any case if corporations—perhaps even private enterprise—are to be permitted to operate in a relatively unfettered manner.

He says later:

Disclosure remains corporations' most promising course. As Mill implied, secrecy—when combined with such other advantages as large size, permanence and limited liability—gives corporations an unacceptable edge over individuals in both financial and political transactions; without disclosure other methods must be found to even the odds. The acceptance of effective corporate reporting would be symbolic of rejection of the old, perverted liberalism and would create the possibility that a workable modern version of Mill's liberalism might be developed—

He suggests it is essential to effect a number of changes in order to ensure that such a change will be effective.

I would now like to discuss the amendments with respect to incorporation procedures. The bill provides that certain pipelines, oil and gas pipelines in particular, will no longer have to be incorporated by obtaining a charter from parliament. As a result of this legislation they will be able to obtain the necessary charter from the minister.

Various money lenders, with the exception of banks, insurance companies, trust and loan companies and certain railway companies, will also be able to obtain a charter without coming before Parliament. As a mechanical procedure, Mr. Speaker, I suggest this provision might make some sense. I also suggest that because of the importance of these institutions, this type of economic corporation to the Canadian economy, and the role that they play in the Canadian economy, it is very difficult and in fact impossible to go along with the provision contained within the framework of this bill.

If in fact the bill provided for adequate control or regulation of corporate activity as a whole, I think a good case could be made for changing the incorporation procedures. On the basis of the bill now before us, I feel it is essential for Canada's future economic welfare that Parliament retain some control over the manner in which this type of company is established and is able to carry on its activities and operations within Canada.

● (4:30 p.m.)

Turning to some of the important considerations involved in this bill, we have to ask ourselves why the government has not gone further in this legislation, why it has avoided some of the basic questions which a number

[Mr. Burton.]

of my hon. friends have attempted to place before the House during this debate. There are probably a number of reasons. The timidity of the government in dealing with this issue is obvious. While the Minister of Finance (Mr. Benson) and other ministers have promised hon. members from time to time that a clear enunciation of government policy would be made with respect to foreign ownership and other aspects of corporate activity, no such announcement has been forthcoming up to the present time.

The manner in which the government operates was made clear by an answer which I received to a question I placed on the order paper last year when it became evident that the government was considering certain changes to the Corporations Act. It had been made known that a number of panels had been set up to discuss those changes. I directed a question to the Minister of Consumer and Corporate Affairs (Mr. Basford) on February 3, 1969, as follows:

What are the names, addresses and occupations of the team of experienced businessmen and lawyers who are being consulted respecting proposed changes in the Canada Corporations Act?

The answer was:

Three panels of lawyers, accountants and businessmen were formed and met early in 1968 to review and comment, in confidence, on the recommendations for changes which were made by the task force on the Canada Corporations Act. These individuals are not involved in the current drafting of the bill and will of course bear no responsibility for its contents.

There followed lists of businessmen, accountants and lawyers from across the country. I have no doubt that each of the individuals named to these panels was a competent and able person in a position to offer useful advice to the government. But I would also suggest that they were considering this legislation from their own points of view. No group of people was called upon by the minister to deal with this question of amendments to the act solely from the point of view of the public, one might say from the point of view of the layman, even—the average working man, farmer and small businessman.

An hon. Member: What do you think the task force was doing?

Mr. Burton: I think it important that the kind of consideration I have suggested should be given. I mentioned a few moments ago that there are certain fundamental considerations which ought to be taken into account. I have already referred to the role of the cor-