

*Canada Corporations Act*

There is also provision within my amendment for special cases where corporations may apply to the minister for an exemption from the provision. This gives the minister a discretionary authority. I think it should be noted that corporation laws provide for two basic types of companies, public companies and private companies. Under the terms of the bill as now reported back to us we have sort of a hybrid known as "constrained share companies". We do have these two types of companies, public and private, and I would point out, if it is important to obtain information concerning the financial operations of public companies, that only some 2350 companies will be involved according to recent information. On the other hand, there is a much larger number of companies incorporated as private companies on the basis of the information available to me. If it is important that we obtain this information from public companies, I believe it is also important that we obtain this information from private companies.

Two factors involved in differentiating between public and private companies very often concern the control of the ownership of shares within the company, the provision of financial information and information in respect of the shareholders. We are not concerned just with the control of ownership. A private company would still have the right to say who may own shares and to whom shares may be transferred. We are proposing a change which would place both public and private companies on the same footing with regard to the provision of financial information. I believe this is necessary within the framework of a modern, integrated and complex economy because we no longer live in a world of isolation. It would seem to me that the public interest should be paramount in any consideration of this legislation. As was pointed out by Professor Melville Watkins, the information is needed for determination of policy and analysis of events and developments within the economy.

It would seem to me that the right to know is a very important principle. This principle now applies to many aspects of government operations. Certainly, the right to know is applied on a much broader scale than is proposed in respect of the operations of corporations. I suggest that this principle of the right to know must apply to the private sector as well. Thus, I would hope the House would give serious consideration to the amendment proposed.

[Mr. Burton.]

**Mr. Lambert (Edmonton West):** Mr. Speaker, briefly may I say that I thoroughly disagree with the hon. member for Regina East (Mr. Burton). I also disagree with the minister in respect of his proposal concerning disclosure—disclosure for whom, for what purpose? At the time of the examination by the committee, the minister indicated that he did not know for what purpose the disclosure is to be made. There was also no precision in the comments of the hon. member for Regina East. He did not indicate for what purpose. When the comparison is made with public companies, may I say that little or no information can be drawn from the material filed by public companies. There is no common form used in respect of the filing of balance sheets. There is no common form in respect of profit and loss statements, with the exception of whatever conformity there may be as a result of the statements having been prepared by chartered accountants and the fact that they have some uniformity. Apart from that, however, there is absolutely nothing that says that balance sheets shall be on the same basis or that profit and loss statements shall be on the same basis or that the source of revenue and application of fund statements shall be on a uniform basis.

So, there is absolutely no simple reason for the collating of the information. These returns will now be placed on a company file forever to gather dust unless someone wishes to equip himself for the payment of a dollar per file to go through the files and collate information which is not uniform. Information which is not uniform is useless unless someone wishes to go to an individual company to do something privately for a chosen purpose. There are other ways in which to do this. There are a number of public companies registered in Ottawa. All one need do is buy one share in order to have the right of access to the statement, thus gaining rights with other shareholders. I am surprised the hon. member for Regina East mentioned that when he was concerned about private companies he could obtain no information whatever. Of course he can obtain up to date information from the corporations branch in respect of the shareholders, the directors and the quantum of their individual holdings. This is a requirement of Saskatchewan law as much as it is a requirement of Alberta law.

One cannot obtain any balance sheets of private companies at any level at the present time, but why would one want such balance sheets? The original and fundamental reason