

In the third place, I believe a national securities commission could work toward a greater degree of public disclosure of corporate affairs. I am not saying that disclosure on the part of private companies could be secured; since these companies would not have any stocks to go on the market they would not be obliged to make disclosures. Attempts by the federal government to move into this field have, in my opinion, been artificial and futile. As an example, I mention the requirement under Bill C-4 last year which amended the Canada Corporations Act in relation to requirements concerning the filing of returns in connection with insider trading, takeover bids and that sort of thing. The trouble is that the Minister of Consumer and Corporate Affairs (Mr. Basford) and the Registrar of Companies do not have the authority by law to compile or publish statistics. The information is merely placed on file and an individual seeking information about particular companies or the activities of their directors has to search the file.

This procedure would be eliminated under my proposal because the commission would have authority to collate and publish the information. Reporting, or requiring a report once a month, does nothing to protect the public, though it may help people who make a practice of examining individual corporate files maintained by the registrar of companies. The same applies in all the provinces. I say that if we are to maintain the same level of progress in relation to federally incorporated companies as is being achieved in Ontario under the Ontario corporations act, together with the activities of the Ontario securities commission, we ought seriously to consider the establishment of a national securities commission as I have suggested.

Over the past two or three years, I have often asked the minister to tell us what progress was being made in this direction. I know that contacts have been maintained between the federal authority and some of the provinces which have shown an interest in this question. The answers have been inconclusive and vague. The minister has been anything but frank in telling us what progress has been made. In effect, no progress has been achieved over the past 18 months, at least not until very recently.

I raised this question during the second reading of Bill C-4 in November, 1969, as reported on page 711 of *Hansard*, and again in the Finance Committee in the discussion on the provisions of that bill; I alluded to it again in the report stage of that bill, particularly in January of 1970, and on third reading of Bill C-4.

What type of organization do I envisage? I cannot give all the characteristics of it because I am not an expert in securities operation. This is why I should like a conference called among all the governments involved to discuss in detail the requirements necessary to the effective operation of a national securities commission. I indicated that I want a national body created jointly by the federal government and the provincial governments. I understand, and this is one of the problems involved, that the federal government may have insisted that any such national body be located in Ottawa. If this is the case, I think it is the poorest place in which such a commission

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could be located. For practical reasons it should be located next one of our principal stock exchanges, and there are only six cities in Canada where such exchanges are in operation, namely, Montreal, Vancouver, Calgary, Winnipeg and Toronto. I suggest that a national securities commission would be located most effectively in the city of Toronto because that is where the greatest volume of financial operations take place; it is the leading stock exchange in the country by a wide margin.

I hope hon. members will give us the benefit of their views with regard to this question. I have discussed it privately with a number of hon. members from time to time and I have received nothing but the greatest encouragement. There may be differences about the details of the proposal but I hope that from our discussion this afternoon will come a much clearer idea of what we want, and that the government can then take up the idea with some degree of guidance. We could then effectively arrive at a conference, not within the next six months but some time in 1971, with a view to having a national securities commission at the earliest possible date. I urge hon. members to accept my motion.

• (5:20 p.m.)

Mr. Jack Cullen (Sarnia-Lambton): I wish to compliment the hon. member on the motion before us for debate today, not only on the substance of the motion, but his perseverance in bringing forward this matter at every available opportunity. It is the kind of subject that the hon. member has probably found difficult to discuss on an election platform. It is not the kind of motion that will get him very many votes because of its complexity. It is almost impossible to bring forward on an election platform the kind of ideas he is suggesting here. Therefore, it is necessary that for the general good of the Canadian public, particularly the Canadian investing public and those investors from the United States, that some additional form of protection be afforded.

I indicated that the hon. member had persevered. As recently as February 25, 1970, as recorded at page 4065 of *Hansard*, the hon. member directed a question to the Minister of Consumer and Corporate Affairs (Mr. Basford). It reads:

What stage has been reached in the discussions or negotiations with provincial authorities with a view to the establishment of a national securities commission or some similar body?

I like the hon. member's choice of nomenclature. He uses the word "nationally", thereby recognizing the definite involvement that the provinces must have in any securities commission regulatory body that is established. The minister's written answer to that question reads:

The establishment of a national securities commission or similar body was last formally discussed with the provincial authorities at a meeting of the Federal-Provincial Committee of Officials on Financial Institutions and Securities Regulation which was held on October 25, 1968.

The minister adopted the nomenclature of the hon. member, namely, that it is to become a national body. I do not think there is any doubt about whether the federal government approves this kind of regulatory body.