

Canada Corporations Act

as quickly as possible in order that we can open the door to a greater degree of corporate disclosure.

• (8:30 p.m.)

I would remind the House that this bill was first introduced in May of 1969. It was reintroduced in October, 1969. We are now in the month of June, 1970, and it is still not the law of the land and it still has to be approved by the members of the other place. I would say to the hon. member for Don Valley that here we are at least adopting the principle that private companies of economic significance should disclose as public companies do.

I am hopeful that provincial governments will follow the lead which the federal government has set. The hon. member for Waterloo (Mr. Saltsman) touched upon this aspect of the matter and I agree with his remarks in that respect. Of course, if what I have suggested does not happen we shall have to consider other measures to ensure that the principle of corporate disclosure becomes applicable in the years ahead not only to federal companies but to all companies incorporated under provincial acts.

I listened to the two hon. members who spoke for the official opposition, the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Dauphin (Mr. Ritchie). I became somewhat confused when I listened to the spokesmen for the Conservative Party on this issue. I do not want to re-debate the whole principle of corporate disclosure, but I was confused when I listened to them because they opposed it on second reading, they opposed it in committee and they are opposing it tonight. I only wish that the hon. member for Edmonton West and the hon. member for Dauphin would consult with their leader, the hon. member for Halifax (Mr. Stanfield) who said as recently as last April:

There is also the problem of getting adequate disclosure of information. At the moment, Canadian disclosure requirements are among the lowest in the world.

Here we are trying to improve disclosure laws in Canada, as I take it the Leader of the Opposition was advocating in April, while his minions from Edmonton West and Dauphin are opposing what he is trying to do.

Mr. Lambert (Edmonton West): I am no minion.

Mr. Basford: I have great difficulty figuring out just where the Conservative party stands

on this issue. To deal with the substance of Motion No. 7 moved by the hon. member for Regina East (Mr. Burton), it is an amendment which in no circumstances can the government accept. Bill C-4 provides that private companies with assets of \$5 million or sales exceeding \$1 million shall file annual returns with the companies branch of my department, and that those returns shall be open to the public and treated in the same way as annual returns from public companies. The amendment before us would provide that all private companies, no matter of what size, would have to follow the same procedure and be regarded as public companies. All their returns would be made public.

There are two objections to this proposal. First, it would mean that all sorts of very small and insignificant companies would be obliged to go to the expense and trouble of making an annual return—and for no conceivable purpose. I fail to see any merit or wisdom whatever in requiring small private companies to do this. If we believe, as I do, that private companies of economic significance should disclose in the same way as public companies, there is surely not much point in saying that small private companies having capital of \$50,000 or \$100,000 should go through all the operations required of a public company. That suggestion makes no sense whatsoever.

The amendment provides that the minister may exempt a company from this requirement on an individual basis, upon application. But this would involve the minister, who at this particular time is myself, dealing with some 15,000 applications a year from private companies with assets of less than \$5 million. All of them would, I am sure, apply to me for an exemption. This, in itself, would amount to a very large administrative task and one which would produce absolutely no benefit, though it might well cost the taxpayers a great deal.

Then again, the trend for some years has surely been away from the granting of ministerial power of discretion. I have listened many times to members of the opposition advocate that the power of ministerial discretion should be curtailed. Yet here we find the New Democratic Party seeking to give me discretion to decide whether or not some 15,000 companies should publicly disclose particulars of their operations. This is not the kind of discretion I want, and it is certainly not the kind of discretion a minister should have.