

Canada Corporations Act

motion now before us. I would invite him to bear this in mind.

Mr. Saltsman: Thank you for your advice, Mr. Speaker. I believe that the point I am trying to make will be a little more obvious as I proceed, and I am trying to relate my remarks specifically to the amendments before us in order to point out their significance, their importance and their relationship to the bill. It could be argued that the people who drafted these amendments are experts, and no doubt they are experts when one looks at the directorships that they hold. However, it is very much like asking the generals of a country to make foreign policy, or asking the pulp industry to legislate a reforestation program or the mining industry to create an anti-pollution program or the automobile industry to set down safety standards for cars, or even to have burglars review the Criminal Code in order to improve it. There is no intention on my part, or on the part of anyone in this party, to impute motives to anyone or to make any suggestion that there has been impropriety.

What we are trying to point out is that the composition and the nature of the committee that sent back these amendments makes it virtually impossible for us to take any of their suggestions with any degree of seriousness. The reason is that if we look at the various measures that have come from there, whether they be recommendations on the white paper on tax reform or, to refer to the specific amendments before us, the recommendations of the committee that we are now considering, we can see that in every single case every suggestion that was made was to strengthen corporate power, to prevent disclosure, to make it more and more difficult for the public to come to grips with the corporations in our society. It is difficult for us to understand what special wisdom resides there, particularly when one sees that often the directorships that the members in the other place hold came to them after their appointments rather than before. One wonders whether there is some special magic wand in the Prime Minister's (Mr. Trudeau) office which he waves over them. This gives them some special knowledge and wisdom that they would otherwise not have. Perhaps he anoints them with some special liniment which gives them some special corporate knowledge that they did not possess before.

When we examine the amendments—and in his opening statement the minister pointed out that he is pleased with the amendments—

[Mr. Speaker.]

one remembers that, as the hon. member for Edmonton West (Mr. Lambert) pointed out quite correctly, when some of them were suggested to the minister in the committee he raised some very valid arguments against the adoption of some of these proposals. Between the time that he raised those arguments in the committee and the time these amendments arrived from the other place, there has been some change of heart. We are glad to see that the minister is capable of learning in this particular way.

Let us take a look at the amendment on the trust companies which contains a definition of an insider. It is possible now, as a result of the amendments from the other place, for a trust company to circumvent one of the main intentions of the act which was to ensure that no one would have more than 10 per cent of the voting shares without having to declare that he was an insider. The point that was made in the other place was that a trust company, because it had a number of branches, might inadvertently acquire more than 10 per cent of the shares and therefore come afoul of the legislation. This should not be. The question that needs to be asked is whether it is really important whether they do it deliberately or whether it comes about unintentionally. The fact of the matter is that this corporation would have more than 10 per cent of the shares and would be an insider. It would have the power that this legislation originally tried to limit, and yet it is going to be excluded because this particular amendment was introduced on the basis that the corporation has very little control over the situation.

All that is at stake in this insider amendment is that these shareholders be forced to disclose the fact that they are insiders. My reading of the legislation is such that it would seem they are not being asked to divest themselves of their holdings over the 10 per cent. We recognize that they have more than 10 per cent in some cases. They are not being asked to close down an account or to say to a client: I am sorry, we cannot take you on because this will bring our holdings to more than 10 per cent. They are simply being asked to disclose that they have more than 10 per cent. The other place has objected mightily to this provision, and as we go through these amendments we see that in every single instance where it is possible to strike a blow against disclosure, against providing more public information, the other place has done so.