

panies available to the general public; seek provincial co-operation to make this an effective means of obtaining public disclosure.

He then suggested other alternative steps that might be taken. It seems to me that in his study Professor Watkins took a major step forward in highlighting this particular problem and indicating the need for more adequate legislation. There have been many other instances and examples quoted both before this monumental report and since that time. I have had considerable personal experience in searching the records of companies in the province of Saskatchewan, as well as federally incorporated companies, in connection with which there has been a great deal of difficulty in obtaining adequate information. I would find that with a public company there was no problem at all about securing adequate information with respect to its shareholders, the directors of the company and the financial statement of the company. But such was not the case with companies carrying on similar operations which were incorporated as private companies. In those cases this information was not available to me.

I can assure the House that in searching these records I was not doing so in any individual capacity on behalf of any private or personal interest; rather it was in terms of looking at them in order to determine whether certain steps taken and activities carried on by those companies were in fact in the public interest. I quite realize that a certain judgment follows from that in regard to the use of the information that is obtained, and in regard to making judgments based on the information obtained. But certainly it was quite clear to me from my own personal experience that information was being denied the public, information the public had the right to have in terms of dealing adequately with modern economic and social problems.

Thus, it seems to me that the principle of the right to know is one of the features that should be incorporated in the Canada Corporations Act vis-à-vis the provision of financial information. I think a balance is required in terms of the structure of the law. On the one hand, corporations are given powers, rights and privileges; on the other hand, certain controls and requirements are placed upon them. The requirement should also be placed upon all large corporations that are established within the framework of this statute to provide adequate information with respect to their financial operations.

Bill C-4, which was introduced in the House of Commons last fall, provided with

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respect to this particular matter that any company which had gross revenues of over \$3 million in any one year or which, on the other hand, had more than \$3 million in assets would be required to submit the same financial information as was required of public companies incorporated under this act. Various representations were made when the bill went before the committee, for the most part by a variety of companies, though chiefly large companies that objected to being required to make this information public. As a result of consideration in the committee, an amended version of this clause was reported back to the House of Commons and is now before us. This amended version states that any private company which has more than \$5 million in assets or more than \$10 million in gross revenues should be required to submit financial information comparable to that required of a public company.

It seems to me that in setting that arbitrary figure—and I have to consider this an arbitrary figure—there are a number of problems created. First of all, who knows what the right figure is? What figure should be used, whether \$3 million, \$5 million, or \$10 million, in terms of dealing with the economic significance of any given company?

● (4:40 p.m.)

In the second place, I think it is quite probable that a figure of economic significance will differ between various regions and companies. I do not believe one would find the figures for one company would be applicable to another company in assessing the economic significance and importance of a corporation. Third, I would point out that big oaks from little acorns grow and very often very small concerns are the start of large corporations, sometimes by design and sometimes simply because that is the way the corporate events take place. I have personal experience in trying to obtain information on small companies which had been established and for which no information was available. I knew very well that these small companies would be economically significant corporations in which questions of public interest would be involved, either now or in the very near future. Thus, I believe it should be suggested that provision of information concerning the financial operations of corporations should be applicable to all corporations under the Canada Corporations Act.

This, in fact, is the intent of my amendment. It does provide for an exemption and exception in respect of personal corporations.