

limited to the same disclosure as the public companies, that is to say, to the financial statement. The Secretary of State can ask a private company for its financial statements, that is to say the requirements provided for in sections 115 to 122. Since it is a private company, this subclause 2 was added so as to prevent disclosure of information from the private company by the Secretary of State.

Mr. MOREAU: It seems to me there is a very serious problem involved here regarding the subsidiary company of a corporation which may, under this act, be described as a private company. I feel that this again is not in the public interest. I think it is very important that we do get this disclosure. My remarks are directed primarily at a situation where we have a private company which is a subsidiary of a corporation. I wonder if we could perhaps strike this section out entirely, or alternatively define a private company, as Mr. Gelber suggested. We would then apply the law to a private company which had corporate shareholders. I do not feel we can leave this section in together with 121F because of this conflict between them, that is between a company incorporated in Canada and one which has been incorporated as a private company with corporate shareholders.

Mr. LESAGE: I would rather see this deleted from the act entirely.

The CHAIRMAN: You would prefer to take the whole thing out than to delete subsection 2?

Mr. LAMBERT: I think that would be preferable because, frankly, what Mr. Moreau has done in his original amendment was to create more mischief than he intended to cure. With all due respect to Mr. Moreau, I do not know whether he has foreseen the full implication of his action in the previous amendment and certainly in this suggested removal of subsection 2 of section 125A which would frankly be removing the whole of the protection that is given to private companies in their classification. In other words, the amendment would be trying to do indirectly what you cannot do directly.

Mr. MOREAU: I did not move any amendment, Mr. Lambert. I am quite aware of the problem that exists. I wonder if we could not make a distinction between a private company and a private company that has corporate shareholders. I am quite prepared to go along with the complete deletion of section 125A.

Perhaps we can get at this problem in another way, or by the other bill we have passed, the disclosures act.

Mr. LAMBERT: I cannot understand this predilection for picking on a private company in isolation, a company which has corporate shareholders. I know many private companies which are controlled by other private companies which are perfectly legitimate.

Mr. MOREAU: Then let me say public corporations.

Mr. LAMBERT: That is a different story, and even then I am not too sure that it is necessarily right that just because a company is owned by a public company, ipso facto it should be in a suspect class. I cannot see that.

Mr. MOREAU: I go along with the complete removal of section 125A. What I am aiming at is perhaps better approached by the Corporations and Labour Unions Returns Act. I certainly do not want to create any problems for a private corporation, but I think Mr. Lambert would agree that if there is abuse in the distinction between private companies and public companies it is in the case in which we have public corporations holding shares in a private company. I think perhaps the Corporations and Labour Unions Returns Act would look after the problem. I would certainly go along with the complete deletion of section 125A, and I so move.