

Corporations and Labour Unions

being referred to the appropriate legislative committee, and that is why I would like to encourage Hon. Members to take the same line so that proceedings on this Bill will not take any longer than necessary and the Bill can be referred to a legislative committee as soon as possible.

• (1540)

[English]

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, I am pleased to speak on second reading of Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act. Let me say at the outset that my Party does not have serious difficulty with the piece of legislation, on the contrary, in that it simplifies the reporting requirements particularly for some 2,000 to 2,500 smaller corporations, we certainly support any initiative that will cut down on the degree of expense and inconvenience that small companies must bear.

As other speakers have indicated, of course it is important that the information be made available. The Corporations and Labour Unions Returns Act provides information in respect of ownership and international relationships among companies and unions in Canada. I was interested, I would have to note in passing, that according to the information being used by politicians or the peoples' representatives, the press, academics, and so on in respect of establishing the extent of foreign ownership of Canadian corporations, the Parliamentary Secretary indicated that some 500 major corporations in Canada are approximately 50 per cent owned by concerns in the United States. I should like to note in passing that these 500 companies are the only ones which will be substantially excluded from the new investment rules which will come into force as a result of the trade agreement with the United States. We are faced with a situation at the very outset in which half of the 500 corporations which will be excluded from the new rules are already owned by external interests. Of course, this is of great interest to us in terms of recording and being able to identify the extent of the ownership of Canadian industry.

CALURA will be of a great deal of significance a future time when it might be anticipated that there will be broader and greater ownership of Canadian industry and services as a result of the free trade agreement.

That being said, the legislation before us is relatively simple in that it proposes to amend two aspects of the Corporations and Labour Unions Returns Act. As matters now stand, the reporting period is roughly the calendar year. In fact, what it says is that reporting will be done between October 30 and January 31, and that that period of time should be a time during which the reporting period reported upon will be no less than 12 months and no more than 53 weeks.

As matters presently stand, larger corporations can submit the information provided in the income tax and Statistics Canada quarterly reports. The changes which are being introduced here establish that the reporting period will be the

fiscal year. There will be provided 90 days subsequent to a fiscal year during which the reporting is to be completed.

Of course this means that there will be no necessity for duplication of income tax returns, as an example, with CALURA reports. Inevitably that will mean considerable savings and simplification for the smaller companies which I cited at the outset. This seems rational.

There may be those people who may wonder whether this might somehow disturb the correspondence of information among various reporters in respect of the gathering of good and useful statistics, as my colleague in the Official Opposition indicated. However, it has already been found that the October to January period has not been very helpful in providing specific comparative analyses of performance. That objection need not be examined as having a very severe effect on the adequacy of Statistics Canada information.

The second amendment involves the removal of the rights of policy developers in the federal Government to access privileged information submitted by corporations in respect of balance sheets, statements of assets and liabilities, investments, retained earnings, and so on, and in respect of transactions involving the movement of technology from persons not resident in Canada.

It has been argued that this is not a power which has been used with great frequency and that, as it is of considerable concern to corporations that certain kinds of information be kept confidential. It is preferable from their point of view to make these changes. However, it occurs to me that some caution might be exercised in respect of this amendment.

Of course I think of what is happening with profits earned by foreign companies operating in Canada, what kinds of investments are being made, where those investments are being made, and where and by whom earnings are being retained. It is of some considerable significance to Canadians whether profits earned in Canada will be reinvested in Canada. In respect of what we think is an appropriate exercise of authority by Investment Canada, it would seem to us that that kind of information should be available to us.

In respect of technology, an area of some considerable importance, one must wonder whether or not we are putting ourselves in a position where we will not be able to evaluate the extent to which technology is gained by Canada through a specific corporation and to what extent technology is shipped out of the country, as it was by Bata Limited in an incident that I quoted not very long ago, in which technology developed in Canada was shipped outside Canada. If that is supposed to be beneficial to Canadians in a net way, surely it must be predicated upon the extent to which reciprocal transfer of technology into Canada has benefited us.

This is an area which I think requires more thorough examination, just as in general I think it is important to take note of the tendency on the part of the Government to attempt to know less and less, and therefore for Canadians to know less