

Export Development Act

Mr. John Thomson (Calgary South): Mr. Speaker, we have covered a good part of the ground pertaining to this amendment in the previous debates in the House and certainly in committee, but I would like to reiterate a couple of points which I attempted to make before. What is at stake here with respect to Bill C-110 and the amendment of my colleague is really the credibility of this institution. Surely the Government and the Minister know that Crown corporations have become a dirty word to the Canadian public. They reflect upon the credibility of this institution and therefore upon our credibility.

The Canadian public expects much more from the Government than the disasters of Canadair, de Havilland and Maislin and the incestuous operations of a good many Crown corporations. I do not say that Crown corporations should not exist. Perhaps some of them should not, but there is a need and a deserving mandate for many of our Crown corporations. Crown corporations must be seen—my colleague was trying to make this point in a somewhat different way—to be poorer than poor. This is in the interests of the government of the day, of the institution which we represent and certainly of the Canadian public. If one accepts this as a premise, one must accept the fact that when a predominant number of the members of the board of any Crown corporation are public servants, there is a conflict of interest because they are serving two masters. That is a given. By its very nature the board of directors is supposed to represent a point of view independent from management. This is what a board of directors is all about. If the employees of a Crown corporation sit on the board, how can they possibly act in an independent way? They cannot. They are protecting their own jobs, they are protecting their own actions.

This is the fundamental point we are trying to make in the amendment before us. We are not asking that no public servants be represented on the board of directors; all we are saying is that, in the interests of independent thought and to avoid the possibility of a conflict of interest, a majority of the board should be appointed from the private sector.

The Hon. Member for Yorkton-Melville (Mr. Nystrom) asked what was the point of replacing someone from the Public Service with a party hack. We must recognize that there are Canadians who want to act in the public interest of the country. I really do not think that Mr. Jack Armstrong, former president and chairman of the board of Imperial Oil, is a party hack of the Liberal Party. This gentleman is retired from active life in the corporate world. He wants to make a contribution to his country. I believe he will be a very worthy member of the board of directors. I have met Mr. Daughney, the former president of Roxy Petroleum. He is very anxious to make a contribution to this country. There are many others in the corporate world who want to do the same.

● (1200)

I come back to the point that it is truly in the interests of this institution and of the Canadian public that we spare no effort to avoid any appearance to the public of the Government of the day manipulating the operations of a given Crown

corporation. That is the bottom line. I say quite sincerely that one way to achieve that is to have the majority on boards of directors appointed from the private sector, people who are truly independent and have no axe to grind.

Strangely enough, in committee the Minister accepted most of what I was saying. In fact, he was quite prepared to consider a board of directors composed of nine members from the private sector and six from the Public Service. Therefore, I am rather surprised that we find ourselves here this morning debating this. I thought the Minister had come to the same conclusion that I had come to, but I guess that is not the case.

When this legislation first came before Parliament, I reviewed what had happened in terms of appointments to the board of directors of the Export Development Corporation over the last 13 years. The present legislation provides for 12 members to be on the board of directors. The chairman and six members of the board shall come from the Public Service and five shall come from the private sector.

In reviewing appointments to the board of directors over the past 13 years, one finds that almost without exception there have never been more than three members from the private sector on this board during that period. I would not want to accuse the Government of being delinquent in its duties, but if one did not know the Government better, one could draw the conclusion that it might be avoiding the appointment of a full complement of directors so that there could be decent representation on the board.

In committee the present Minister, as I remember it, said that we could be assured that as long as he was Minister there would be a full complement of private sector directors on the board. My point is that that Minister may not always be the Minister in charge of the Export Development Corporation; there might be somebody in charge who is less diligent in his duty. We need to spell this out. The Minister said he would sooner not have it spelled out in the legislation. I believe it is important that it be spelled out. I come back to the point that above all we want to ensure that Crown corporations are seen to be cleaner than clean.

There is one other point I want to make. This may come up in a later amendment. I mentioned earlier that the present legislation provides that the chairman of the corporation shall be from the Public Service. I believe that is a great mistake. At the present time, the chairman of the board of directors and the president of the corporation are one and the same. I am not disparaging or reflecting on the gentleman who happens to be president of the corporation in any way, but I believe there are two very separate responsibilities, one as president of the corporation and the other as chairman. For one man to serve in both positions creates the potential for a conflict of interest. He is both servant and master, so to speak.

There is a very different role for a chairman of the board of a corporation from the role of the president. The chairman is responsible for ensuring that the board of directors addresses the policies of that corporation. On the other hand, the president is responsible for implementing those policies. If I am the