

## Private Bills

If this bill is sent to a committee the clauses which define a Canadian company will certainly be given very close study. This problem was faced by the Right Hon. James Lorimer Ilsley. Mr. Ilsley set out three requirements which must be met before a corporation could be considered a Canadian company. These requirements are found at pages 27 and 28 of the report of the advisory committee on war claims. The first requirement was that the central management and control should be in Canada. The second was that it should be engaged in active trading activities in Canada either directly or through subsidiaries. The third requirement was that a substantial part of the corporation's capital should be Canadian. Mr. Ilsley felt that as the policy of this country for many years had been to encourage the inflow of capital in resources development and secondary industries it would be inappropriate to require a large proportion of the capital to be Canadian before regarding the corporation as Canadian.

In fixing the proportion of Canadian capital Mr. Ilsley followed the agreement of 1948 between the United States and Yugoslavia regarding claims of the United States government against the government of Yugoslavia on account of the nationalization of United States companies. Under this agreement the United States government considered a company to be a United States company when Americans owned 20 per cent or more of the stock. Mr. Ilsley concluded by saying:

If the passing of these three tests is required in determining whether a corporation is Canadian, it will in my opinion have the effect of singling out corporations whose real interests are Canadian and whose successful operations are of importance to Canadians.

Provision for exemption of contracts singly or by group is contained in clause 3 of the bill which reads:

(2) The governor in council, where it is in the public interest or necessity so to do, may by regulation provide that this act shall not apply, in whole or in part, to a class or group of contracts or may by order provide that this act shall not apply to an individual contract but every regulation or order so made shall be tabled in the House of Commons within fifteen days after it is made or, if parliament is not then in session, within fifteen days after commencement of the next ensuing session.

I believe hon. members on all sides of the house should support this bill, Mr. Speaker. It may well be that its objectives could be covered by a new government directive which would clearly set out a policy for all government departments and would cover crown corporations but, in my opinion, an act of parliament can accomplish this objective in a much better way.

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, with a proper respect for the usual rules of procedure I hesitated, in all modesty, before rising to give an opportunity to one of the non-commissioned officers or one of the privates on the official opposition benches here this afternoon. Possibly they are going to speak later. Because of the ability of the hon. member for Russell (Mr. Tardif) to get into the Ottawa papers and to do battle with Charlotte Whitton I would give him the rank of sergeant-major. I am the first parliamentary broom from the opposition benches, Mr. Speaker, to start sweeping on this bill introduced by the hon. member for Vancouver South (Mr. Broome).

First of all, I must say that we in this group agree with the spirit and intention of the bill. We look upon it as a pro-Canadian bill, not an anti-American bill, one designed to tidy up, shall I say, our own housekeeping in the public sector of our economy by showing some preference, when it comes to public purchases and so on, for Canadian goods.

I listened with interest to the hon. gentleman's remarks. It is obvious that he has given some considerable thought to this question and I think that merits mention. When a member takes the time to give some thought to a problem of this sort it means he is interested in the problem and he is doing his best to perform his duties as a member of parliament. It is obvious, as he says, that it is a complex bill. There are 10 sections dealing with the definitions and making provision for the administration of the purposes and intentions that he expressed during his remarks.

In looking at the bill I was interested to know that an order in council had been passed on July 23, 1921, P.C. 2648, which in a somewhat ambiguous way, I would say a completely unsatisfactory way, attempted to do in some respect what the hon. member is attempting to do by the introduction of this bill. I presume the introduction of the bill by the hon. member was prompted by his knowledge of this order in council, by the circumstances that exist in Canada today and by the past and present government's failure to do anything about it—on that score we give him full marks—and to deal with the situation objectively and to seek definitive authority as a result of legislation brought before this house.

However, Mr. Speaker, the hon. member did say that this is a complex bill. I have read it through a couple of times. There are many aspects of it that require a thorough examination. While we agree with the spirit and the intent of the bill, we think that before legislation of this type is adopted hon. members must have more information as to