

*Adjournment Debate*

Item 3. The square footage of the premises rented for the Vancouver head office can be imagined if you will step out into the street, looking both ways for traffic, and pace off a 14-step square. That is 1,700 square feet. Does that look like the head office of a billion dollar company?

Item 4. Hampson will be working out of the Toronto "operations office." As befits a subsidiary location, it has 6,000 square feet, a little under four times the space of the office in Vancouver. Maybe the extra space is to store the money they hope to make.

● (2200)

Item 5. Early in September, Vancouver was graced with its first CDC board meeting. Until scuppered by the western directors, there was a plan to start the meeting at 7 a.m. because that was a convenient ten o'clock in the time zone that the eastern directors were operating on. When it did start, the meeting was speeded up so that officers and directors could catch a 2 p.m. flight back to Toronto.

Item 6. The CDC for a time looked at a group of western investment opportunities which, for example, would have kept another 26 per cent of Bethlehem Copper Canadian and would have led to the investment of some Canadian money in Canada instead of simply buying out the U.S. shareholders of Texasgulf. They backed off, in part one suspects because the portfolio that would have shaped up would have made a real western head office inevitable. Texasgulf, on the other hand, has had its major asset conveniently located in Ontario which of course requires a Toronto listening post, close to the amenities of central Canada.

The officers of the CDC are leading us down the garden path. They take offices in Vancouver that are not big enough for the firm of "Wynken, Blynken and Nod" and pretend that it is a head office. They put up a smokescreen that it does not matter where they live—they will divide their time. There can be no question what they are up to. The president of the Bank of Montreal is from Toronto via Vancouver but his head office is in Montreal. The president of the Canadian Labour Congress is from Nova Scotia and the vice-président is from British Columbia, but they live, with their head offices, in Ottawa.

The head office of the Hudson's Bay Company used to be in Winnipeg—and still is in theory. But now the chief executive officer is in Toronto and that is where the real head office is by definition. When the head offices of Cominco and the Teck Corporation moved to Vancouver from Montreal and Toronto respectively, their chief executives came with them.

In this day of sophisticated communications, the CDC can do business with eastern interests from a Vancouver base. It can better serve western development potential from a western base. And we should remember that CDC is not selling, it is buying. People who want money will gladly come from all over the continent if the officers do not feel like travelling.

The sham "head office" ploy did not work and the ball is back with the government. The first step is to call an extraordinary shareholders meeting and fire Hampson as chief executive officer. The second step is for the government and the board of directors to find a truly outstanding Canadian to take over this job, move the head office to

Vancouver as intended and get on with what has to be one of the most exciting challenges in Canada today. The CDC has had the opportunity to meet so many challenges for one two years, but we still have not seen anything at all in the way of selling shares.

I see my time is just about up, Mr. Speaker. Some hon. members on the Liberal side have been smiling. Maybe they think that I have been cruel to the government, but I should like to tell them that the speech I made tonight is just about a replica of one made by Gordon Gibson in Vancouver. He was with the Liberal government in recent years. He knows the people of Canada and, like them, he knows why this government has few seats in that part of the country and will have even less after the next election.

Some hon. Members: Hear, hear!

[Translation]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I understand that the intervention of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) with respect to the Canada Development Corporation was that the head office of that corporation would be located elsewhere than Vancouver. We know now that such is not the case but I would like to take this opportunity to inform the House about the developments that led to that decision by the government to set up the head office of that corporation in Vancouver.

The whole thing goes back to a statement made in the House of Commons on November 27, 1971, when the Board of Directors of the CDC held its first meeting. The right hon. Prime Minister (Mr. Trudeau) announced at that time in the House that the government had informed the Board of Directors of the CDC of its wish to see the head office transferred to Vancouver within two years. Section 10 of the CDC Act provides as follows and I quote:

The head office of the company shall initially be at such place within Canada as may be designated by the Governor in Council and thereafter at such place in Canada as the Board of Directors may determine subject to section 21 of the Canada Corporations Act.

The Governor in Council had already decided that the head office would originally be located in the National Capital area. So the decision to later transfer the head office rested under the act with the Board of Directors of the CDC.

Although the time said by the Prime Minister in his statement on November 29, 1971, expired only at the end of 1973 the Minister of Finance (Mr. Turner) was in a position to announce in Calgary on July 26, 1973, at the Conference on Western Economic Opportunities that the CDC Board of Directors had decided at its meeting on July 24 to transfer the head office of the corporation to Vancouver. Surely, it was normal that a reasonable period of time be necessary to make such a transfer. The minister indicated that everything could be done in October.

On September 25, 1973, the CDC directors met in Vancouver for their regular meeting and the president was then in a position to announce officially the closing of the Ottawa office and the opening of the new headquarters in Vancouver, at Grandville Square. On that same occasion, the president announced also the opening of an office in Toronto. The senior officials of the corporation are expect-