

*Private Bills*

will agree on the efficiency of the department, they saw nothing wrong. They saw no objections which they could raise in the committee of the other place or in the banking and commerce committee of the House of Commons. No objection was raised there. In the banking and commerce committee of the House of Commons this question was raised repeatedly. We were told about the investigations that had been conducted and we were given the assurance of the superintendent of insurance that there was nothing that had not been disclosed or uncovered to prevent the two from applying for a licence at the same time.

**Mr. Howard:** Mr. Chairman, I am not too much concerned about the interrelationship of the two families here. In fact I did not know it existed until that fact was mentioned just now. Not being a member of the banking and commerce committee, wherein this matter was gone into thoroughly, I would not have the opportunity of knowing it unless I inquired of our members on that committee what had been discussed.

However, the point of the amendment is that all the directors of the company shall at all times be Canadian citizens, following the practice we started last year with respect to Aurora pipe lines. The hon. member for Greenwood said this amendment has come in at this stage with no valid reason. That is what I understood from his words. Therefore, he said, we should not accept it.

There is a very valid reason for the amendment. It is a simple, uncomplicated reason. It is that we desire corporations which exist and operate within Canada to have boards of directors consisting of Canadian citizens. That is a valid enough reason. The reasoning behind the amendment, if one wants to go further into it, can be found in various speeches made by the Prime Minister before he reached the exalted position that he now holds. This was one of his key arguments and expressions throughout the country, that there should be Canadian ownership of industry and the like. We have just spent two or three days dealing with the same subject matter in part with respect to a bill introduced by the Minister of Justice regarding statistical information from corporations and trade unions.

The reasons are simple, and I think they are also valid. The hon. member for Winnipeg North who sponsored the bill has indicated that this is a family corporation. But it may not always be that way. I have not the faintest idea what is the situation here. I know of other family corporations which have got into difficulty and in order to obtain financial support to expand the business have had to sell out the corporation to United States

interests. This is one of the reasons why there is increasing United States control and ownership of Canadian industry. The reason is that private companies find it necessary to go to that market in order to get money, thereby selling the corporation in the process.

The hon. member who sponsored the bill, as I understood him, said that if there is a subsequent change in this regard the bill would have to come back to parliament for alteration. I think this is not the case, because clause 1, which we have already passed, reads as follows:

Beatrice Harriet Cohen, spinster, Arthur John Arkin, manager, and Jack Isaac Arkin, manager, all of the city of Winnipeg, in the province of Manitoba, together with such other persons as become shareholders in the company, are incorporated—

Therefore the way is open now for other people, once this bill becomes law, to become shareholders, and for those shareholders at some subsequent time, without coming back to parliament and without asking for an alteration to the bill, to participate in electing members to the board of directors. It could then very easily be that those members might not be Canadian citizens, depending upon what activity takes place within the company after its incorporation.

For this reason I think the sponsor of the bill is in error when he says that a change in the directorship of the company must be effected by way of amending legislation in a future session. That is not so. What may take place is contained in the bill at the moment, the same as with all companies. I agree with the contention of the hon. member for Parry Sound-Muskoka that a better course to follow would be to do this by way of general legislation which would apply equally to all companies incorporated in this fashion. I think, as I said earlier, that there should be an extension of this principle to companies which are incorporated not only by way of private act but under the Companies Act.

However, we do not have that sort of general legislation. If the Prime Minister really believed what he stated on a number of occasions before the last general election, then perhaps general legislation would have been introduced in this parliament to put into practice and effect the principles which he espoused and which he said were part of the Conservative program. But we have not any general legislation; we have not any indication from the government that it really believes in this sort of approach.

At the last session of parliament after long, long debate and disagreement, and some hard feelings perhaps—which I hope have now gone—we established this principle with respect to the Aurora Pipe Line Company.

[Mr. Smith (Winnipeg North).]