

Export Development Act

Mr. Dick: If the Minister and the Government wanted to make progress, why would it not accept six directors covering all the important departments from the government services? That would leave nine to come from outside government services. Perhaps one might indicate that of those nine not more than two would come from any one province. All the Provinces are interested in trade. This would ensure fair regional distribution. Representation would not be all from the finance sector on Bay Street in Toronto or all from the manufacturing sector in Toronto or all from some other area. But that is the type of compromise I am thinking of. If we are really serious in trying to make government work, this is a way to compromise and trade off a little bit, and I think through that process we sometimes get the best result. I would invite the Minister or his Parliamentary Secretary to go part way on this suggestion. Even at this stage, and perhaps with all-Party consent, we could agree to the Government's own amendment if it would go part way, as long as majority representation would be from the private sector. Otherwise we will have people paid by the taxpayer, public servants, controlling the public Crown Corporations, and it becomes a bit incestuous to have them controlling a publicly owned corporation because they have something at stake. It is too narrow a base. Therefore, I recommend that the Government consider a halfway measure between the position as drafted in the Bill and this amendment. I think that might be of some assistance.

I want to put one example on the record about why I feel it is important. I was very frustrated on one occasion with an industry in my own constituency and an industry that was based in Nova Scotia, namely, Pioneer Electric. Through Canadian Patents and Development Ltd. this company got rights to market ground detectors for hospital operating rooms. The device was invented by the National Research Council people. It was an extremely important device. Ten to 15 years ago people died on operating tables. Death was put down to heart fibrillations, but it was not heart fibrillations, it was electric shock. So much equipment was attached to people in the operating process. With a little electric leakage from each machine enough current was finally built up so that a person was electrocuted. What was developed at the National Research Council and what Pioneer Electric and Canadian Stackpole's Measurement Engineering division in Arnprior had the right to do was to market the device and pay royalties to CPDL. Unfortunately, after they paid a little over \$100,000 in royalties, a firm set up in Clearwater, Florida copied the patents which CPDL had. These patents were registered in the United States. An investigation was started as to whether we should stop them. I have three legal opinions from American patent attorneys who said that Canadian Patents and Development Ltd. would be successful in their suit. But they were controlled by employees of the corporation and other members on the board who were public servants. Only a few were from the private sector. They did not have enough gumption to go ahead. If they had paid \$60,000 they would have made another \$100,000 in royalties from the successful sales. Instead, no prosecution took place. The other people in Clear-

water ended up stealing our patent, going ahead and expanding further. They were subsequently bought out by a company called Square D. Square D is a big electrical contracting firm. Square D up to that point in time had been buying 60 per cent of the manufactured product from Canadian Stackpole and Pioneer Engineering. We lost the market. Since this technique was developed, every hospital operating room in North America and around the world had to have one of these devices. It was a tremendous market and we blew it because we were too timid.

If we had had a few more aggressive businessmen on the board, they might have taken that further step and assured the manufacturing rights for Canadians, not letting them slip away as in this case.

I suggest a compromise be considered. The Parliamentary Secretary said we do not want too narrow a base. If we have too large a majority from the public sector, it would be too narrow a base. But perhaps we could have a group from the public sector covering those six important departmental areas and the other nine directors spread fairly well across Canada, maybe two from Quebec, two from Ontario, two from Nova Scotia, one in Saskatchewan or one from Ontario, but not more than two from any one province. This is my suggestion. I am not bound to it; I am just making a suggestion. If the Government wants three for any one province, they can have three. I wanted to make the point that it should be spread out across Canada to ensure that we do not have too small a base from which to work. I think the Government should consider it. Perhaps we could get on to the next amendment; hopefully the Government is willing to make some movement.

● (1650)

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am very pleased to rise to lend a few observations to this very important debate on our approach as Canadians to the promotion of export trade and to the established and recognized role of the Export Development Corporation in achieving those goals. In particular I rise to speak to Motion No. 1, sponsored by the Hon. Member for Mississauga South (Mr. Blenkarn), which takes a rather different approach to the structuring of the board of directors of the EDC than that put forward in the present legislation. The proposal of my colleague would ensure a dominant private sector emphasis on the board of directors. Of course we assume that these people would be well qualified in their disciplines, would represent an appropriate cross-section of the business and corporate community and would ensure that the EDC fulfil the objectives we all wish as Canadians. This is a very important agency of Government which, throughout the past decade or more of its existence, has made a number of errors, many of which have cost Canadian taxpayers dearly.

I will get into specific examples of those errors in a moment, but I think it is important to ask ourselves what is the role of the Export Development Corporation. Should it be a promoter of Canadian trade in other parts of the world for the benefit of Canadians? Should it be an extension of our foreign aid