

Export Development Act

corporation and the wishes of the Government, the directors themselves are not in a conflict of interest situation.

Third, after a year of listening to evidence all across Canada from those who actually engage in the business of exporting from Canada, it was clear that the majority did not want a national trading corporation. Time and time again they pleaded for an Export Development Corporation that could meet more demand and more kinds of demand; but they did not want a government trading corporation.

To ensure that EDC does not become the substitute for a national trading corporation which the Government appears to have given up trying to create directly we in this House should ensure that now, while we have the opportunity before us to consider the composition of the board, we accept the wisdom of the Canadian exporting community and the wise explanation of its role and nature given by EDC three years ago and adopt the amendment before us.

● (1530)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I participated in the committee hearings with the Chairman presiding where the President of the corporation as well as other officers were present. I look back upon the minutes of the Finance Committee meeting No. 143, dated May 26, 1983, and I recall earlier discussions involving my colleague, the Hon. Member for Calgary South (Mr. Thomson), who at the time had made certain observations about the composition of the board of directors and also about the necessity of having the chief executive officer come from the private sector. At the meeting that I attended in which this matter was discussed at length, my colleague, the Hon. Member for Calgary South, was not present because I believe he was out of the country on other public business.

I thought that I had an agreement with the Minister of State for International Trade (Mr. Regan) and with the chairman and presiding officer of the corporation that the amendments would be brought in and that the Minister would have no objection to bringing in amendments which were in keeping with the sentiments which had been expressed by my colleague and myself. Those sentiments were that the majority of the directors on the board of the Export Development Corporation should be from the private sector first. That was agreeable, but what has happened is not in keeping with that.

An amendment has been put in which allows all of the directors to come from the public sector. That is a horse of a different colour. It is simply an old bureaucratic drafting trick. There is no way that we find it acceptable when all that we should have in this Act are words to the effect that if we objected to an entirely public slate, it would be stated that the Opposition agreed to the amendment to the legislation in Bill C-110. No way.

I would like the Minister to talk about this because he knows very well that my colleague, the Hon. Member for Calgary South, my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn) and myself have made a point of issue of this. Yet at the last meeting of the Finance Commit-

tee, the Minister and the officers of the corporation had in principle accepted the points we had put forward. However, in the drafting of the amendments that have come forward, and presumably have been adopted late in June at a committee meeting where I was not present as I was out of the country—

[Translation]

Mr. Laniel: He gets around!

[English]

Mr. Lambert: Other Members were out of the country too. The Hon. Member for Beauharnois-Salaberry (Mr. Laniel) would draw attention to his presence in the House this afternoon by that kind of an extraneous comment.

However, Mr. Speaker, I will come back to this matter. The carrying out of what was understood to be the principle of the amendments in the committee is halfhearted and, I think deceptive. We are not interested in seeing a majority of the board being from the public sector. That should never happen, but that is the kind of amendment that the Minister has brought forward. That is the kind of amendment that was brought forward and passed by the committee on June 28, *per incuriam*, I am sure, by most of them.

The same thing applies to my objection to having the chairman as the chief executive officer of the corporation. This is a great Canadian practice. I would simply like to point out that at two of the major Canadian public Crown Corporations, Canadian National Railways and Air Canada, the chairman and the president are not the same person and it is the president who is the chief executive officer. Do we now have ducks on one side and drakes on the other?

I put before the committee that the reason that the chairman should not be the chief executive officer of such a corporation is that he must bring a certain neutrality or objectivity to the deliberations of the board, particularly where there are public interests involved. If one person is the chairman, the president and the chief executive officer and presides at a board meeting, it is that individual, male or female, who will set the pace and influence the meeting and carry the day. Other directors, whether they represent public interests or private interests or the interests of the shareholders, let alone the corporation directors, are at a very grave disadvantage.

I for one, as far as my philosophy concerning business administration is concerned, favour a more objective chairman than the chief executive officer. One could say that when the president or the chief executive officer is given the right to preside at meetings where the chief executive officer's performance should be judged and in fact may be at issue, it is almost like giving the devil permission to judge his own deeds.

To that extent, I find the proposals contained in the Bill to be contrary to what seemed to me to be the agreement, and I said so in committee hearings at page 143:29 in my answer to a remark made by the chairman when asked about whether the officers could be excused. The chairman said:

No, I would think at this point I do not see any further need. Mr. Lambert?