

*Private Bills*

position in which the hon. member had been placed by the members of his party as far as the procedural situation was concerned. I merely say, in a factual way, that we did not get an explanation from the sponsor until we were asked to vote for or against the principle of the measure.

There are a number of principles which we should consider with respect to this application. As I understand it, the company concerned is part of a group which is controlled in the United Kingdom—I stand to be corrected if I am wrong; I am not sure of the relationship between this company and other companies. It seems to me that in one sense, if this insurance company is somehow or other a subsidiary, controlled from the United Kingdom, it is not really a Canadian-owned business.

• (6:10 p.m.)

One of the matters with which we must concern ourselves is the degree, if any, to which Canadians and the Canadian parliament will have any say with respect to the manner in which this company conducts its business so far as its responsibility to Canadians and Canada is concerned. There is a provision in an act, which I believe is known as the British and Foreign Insurance Companies Act, that a majority of the directors of such a company must be Canadian citizens. That is an enunciation of a general philosophy with respect to Canadianism which parliament has endorsed, but it does not mean a great deal.

We all know that private companies, especially those in the insurance field, do not have too much regard for international boundaries. The Pacific Coast Fire Insurance Company, and other such companies are not in business or incorporated in order to be patriotic. They are incorporated to conduct a certain class of business with the general public and thereby make a profit. Patriotism and international boundaries are questions that come after the demand placed upon them to maintain a profit picture throughout the course of their activities and operations.

Therefore, the question of whether we get any sort of effective, meaningful and reasonable attitude favourable to Canada or Canadians out of such companies, by virtue of the fact that a majority of directors are required to be Canadian citizens, is doubtful. I would extend this provision with respect to this and other companies to say, as I understand is said in other jurisdictions, that all of the company directors must at all times be

[Mr. Howard.]

Canadian citizens ordinarily resident in Canada. But even that in itself would not orient the operations of such companies to Canada. However, it might help. The degree of national interest which each of us has might then be reflected somewhat more in a company's operations if the majority of directors were Canadians.

In this regard, it is interesting to refer to what I now consider to be the official Canadian attitude in this respect, an attitude which was manifested by the Secretary of State for External Affairs (Mr. Martin) in Calgary recently at a meeting of the Japan-Canada trade council or conference. I do not have a copy of his speech with me, but I think I can paraphrase his remarks with some accuracy.

Just a few days ago the Secretary of State for External Affairs complained to the Japan-Canada trade conference or trade council that Canadian businessmen are not able to obtain, through their investments in companies in Japan, any effective voice in the operation of those companies or subsidiary corporations in Japan. He said that Canadian businessmen were denied the opportunity effectively to run the affairs of their companies in Japan because of the attitude of the Japanese government. I might say this is a commendable attitude which should be followed by the Canadian government so far as operations in Canada are concerned.

The minister outlined the reason that Canadian businessmen who had invested money in subsidiaries in Japan were not able to have any say in the operation of those companies. It was simply because, by official determination, the Japanese government did not want equity capital. It wanted borrowed capital, debenture money, because it knew that if it permitted equity capital to enter Japan, the Japanese would be in the position of having absentee landlord ownership of their corporate structure, which is the situation we have in Canada today.

Because of enticements offered by the Canadian government, at least 75 per cent of the equity ownership of Canadian industry—from the stump to the fence post, as we used to say in the woods, or from raw material to the manufactured unit—is controlled by people who are not Canadian citizens and who do not even live in the country. But that does not happen in Japan because the Japanese say, "We want the control of our resources and our industry to remain within our