

Canada Development Corporation

if necessary, the CDC should go outside the shareholders of its own stock in order to find representation.

I think it might be an admirable idea to have a representative from the Department of Consumer and Corporate Affairs on the board because increasingly—and I am glad to see this—the Department of Consumer and Corporate Affairs is starting to have some effect on the economy. People are beginning to see that this department means business in some areas, such as the area of misleading advertising, corporate disclosures and so on, and is colliding in many instances with business corporations. I believe it would be unthinkable to have the Department of Consumer and Corporate Affairs place an injunction against the Canada Development Corporation simply because it pursued the profit motive. This, from the public point of view, could be very bad in my opinion. A lot of difficulty could be headed off at this time if in fact there were some representation from the department or some representation from some consumer groups. The time surely must have passed when we say that corporations are responsible only for profit, and I include corporations outside the CDC in the private sector. I think many business corporations have begun to realize they have a role beyond the simple imperative of making profit. They know that business survives only by public consent, and that business has to justify itself in the eyes of the public interest and the national interest.

The day is over when the private business sector can take the attitude, the public be damned. They know now they must have other objectives. We say to the government that it can assist the business community by writing into the Canada Development Corporation legislation the need for the corporation to be representative and the need for it to respond to these various interests in our society rather than the profit motive alone. As I read the amendments so ably discussed and defended by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), it seems to me there should not be any objection to including this kind of directive in the Canada Development Corporation legislation. It can only help to strengthen the CDC. It cannot weaken it. It may give it a little of the lustre it so badly needs, and which is so utterly lacking in the bill which has been presented to this House.

I shall leave my comments on that point because there is another motion to which I wish to refer briefly, No. 7 which reads:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by deleting from subclause (3) of Clause 12 line 12 and substituting the following:

"All members of"

As a result of this amendment, rather than containing the words "the majority of the members of", the subclause would read as follows:

All members of the Board referred to in section 11 shall at all times be residents of Canada.

I can see no reason for the government objecting to this particular amendment. Again, it would seem that it would considerably strengthen the position of the Canada Development Corporation. As the bill stands without this amendment, the reference to a majority of the members

[Mr. Saltzman.]

leaves it open to very wide abuse. We have had experience in Canada in respect of industrialists who, for one reason or another, have retained Canadian citizenship but have been domiciled elsewhere. Usually, the reason was related to tax laws. In my view such a situation would be unthinkable in this connection and I would hope it would be unthinkable in the view of the parliamentary secretary or the Minister of Finance (Mr. Benson), namely, that this corporation would have a number of directors who would reside outside Canada.

It surely is not too much to ask that the directors be residents of Canada. First of all, they would be much better attuned to Canadian problems. They would certainly be more able to assess the proper decisions of the CDC if they were residents of Canada rather than of some other country. I believe they would exert a greater influence on the board if they lived in this country, and were tuned in to our activities. After all, you cannot find out what is happening in Canada on the golf courses of Bermuda. You may be able to find out on the golf courses in Canada. I see very little reason for any government opposition to Motion No. 7. I would sincerely hope the parliamentary secretary would give it some thought and listen to some of the arguments we have put forward, then say that this particular motion and the one preceding it, No. 6, are acceptable to his government.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, motion No. 6 is one of a group of amendments presented by particular members opposite with a view to amending the Canada Development Corporation bill to create a Canada Development Corporation in the image they wish to see it rather than as the government wishes to see it. I spoke at length on this on Friday in connection with the debate on the previous package of amendments, I believe amendments Nos. 3, 4 and 5. I do not intend to reiterate my comments. Motion No. 7, however, stands on its own. The purpose the government had in mind in permitting some of the directors to be non-residents of Canada was that, hopefully, it might take advantage of Canadian managerial and other business skills which might be available, even though the particular person might not be a resident of Canada. The government also envisaged the situation, with the mobility of top management today, of a director who had through his other business connections been required to give up his Canadian residence for a period of time but fully expected to be back again.

Other provisions in this bill do, of course, require by implication that all directors be Canadian citizens. Subclause (2) of Clause 12 specifically provides that a person ceases to be a director if he ceases to be a Canadian citizen. However, the government feels there is some positive advantage in the CDC being able to avail itself of the services of non-resident directors. Perhaps the provision in the bill that a majority be residents is arbitrarily chosen. Perhaps some other proportion would be as acceptable, but the government cannot accept the amendment as proposed which would require that all members of the board be Canadian residents.