

the public interest the Canada Development Corporation must serve then, to turn around and say that "there shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole", is to negate the public interest in many instances.

• (12:50 p.m.)

Let us look at a smaller version of the Canada Development Corporation. Its shareholding structure is different but its purpose is the same. I refer to La Société Générale de Financement of the province of Quebec and its recent experience with the lumber and plywood operations up at Maniwaki in the organization known as SOGEFOR. Initially, La Société Générale de Financement bought two or three lumber or woodwork operations that were going concerns which were making a profit. This is the sort of thing that the Canada Development Corporation should get into, something that has a potential for growth, some experience, and is in the public interest. But there was a changing situation; the market was not as good either for lumber or plywood. There were changes in the lumber permit, and this made it much more difficult to assure these woodworking operations of a steady supply of suitable wood. We found then SOGEFOR facing an entirely different situation of rather astounding losses.

But the town and district of Maniwaki were entirely dependent upon these industries. It was in the public interest to maintain regular employment for the bulk of the population. It was not in the public interest to let these men out and to place them on welfare. There is no other industry around, but La Société Générale de Financement, whose shares would be from \$10 to \$103 if they are ever quoted on the market, could not possibly absorb these continuing losses. So the company went to the market; the SOGEFOR operations were to be sold either to Canadians or to Americans. We saw there a classic example. La Société Générale de Financement, a company set up for the advancement and development of Quebec industry and Quebec control of industry, when the operations were losing money, was quite prepared to sell out to a New Jersey concern in order to get out of the situation.

Fortunately, that aspect is now academic and after some sort of almost Gilbert and Sullivan operation the Montreal syndicate that bought the concern have taken it over. Employment is much reduced, but the operation is continued. This is a very sad spectacle all around, and I have gone into this in detail to point out the immediate problem that would be faced by the Canada Development Corporation if it invested in any Canadian concern where the total of its participation and that of the others exceeded \$1 million and it turned sour. The directions are that they shall be operated on the basis of profit and in the interest of the shareholders as a whole, but what about the public interest? Are the people who are working for this particular concern to be thrown out, put on the dole and the operation dismantled, or is it to be sold to the highest bidder who may be an outsider who can provide more capital and perhaps more expert management? Is that to be the role of the Canada Development

Canada Development Corporation

Corporation? Nonsense, that is not what the operation will do. At that point we have departed from the principal idea of a true Canadian development corporation.

My party, after examining the proposals contained in the legislation, and without going into the details of the bill, finds it somewhat difficult to see how the government is going to get competent, interested people who will be able to take over this corporation and breathe life into the legislative bones that will be created through the adoption of this bill. I find this exceedingly difficult to believe. I find it exceedingly difficult to consider what would be the situation if Polymer or Eldorado or the Eldorado subsidiary, the Northern Transportation, but to a lesser degree, or Panarctic, should fall upon difficult days when the operations are not profitable. There might be a requirement, in the public interest, for the provision of further capital, the building up of reserves or that it should not declare dividends. In other words, there might be a requirement that it not be operated for the benefit of shareholders, notwithstanding the fact that this bill has the gall to say that the shareholders of the Canada Development Corporation will be those able to qualify under investments or insurance companies or trust and loan companies. That to me is the height of—

Mr. Deputy Speaker: Order, please. It being one o'clock, I do leave the Chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Lambert (Edmonton West): Mr. Speaker, there is very little of my allotted time left, and I would just like to indicate that my comments up to this point have been concentrated on what appears to be the paradox in the directions given by the government to the corporation through this legislation, that it should have some public interest but that its primary interest shall be for the benefit of the shareholders, and that it shall be based upon the profit motive.

I reiterate for the benefit of hon. members that they should refer to the evidence given before the Standing Committee on Finance, Trade and Economic Affairs, to the briefs that were presented by the Canadian Chamber of Commerce, the Canadian Bar, and other bodies and private individuals, although I must say not by a great number of people. In the light of what we had been given to understand was great public interest in having a Canada Development Corporation, and notwithstanding the wide advertising by the chairman of the committee about the reception of briefs and the possibility of presenting personal testimony, I was surprised that in large part the response by the public was a big yawn. To me this indicates a complete lack of concern about this particular type of corporation.

In conclusion, Mr. Speaker, I wish to say that we will not accept these NDP amendments because they are