

Federal Business Development Bank Act

● (1230)

SPORTS**MONTREAL OLYMPICS, 1976—REASON FOR DELAY IN TRANSFERRING FUNDS FROM SALE OF COINS TO OLYMPICS CORPORATION**

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Postmaster General, who I hope is in Toronto trying to salvage the mail destroyed by fire and water, I will direct my question to the President of the Treasury Board who is also partially responsible for the Olympics bill. According to the first report of the finance minister for the Olympics coin program, no payment had been made to the Olympics corporation, even though funds were available. In the second report we find that only during the month of October, 1974 was agreement reached between the federal government and the Olympics Corporation on the transfer of these funds.

Would the minister advise the House what problems exist between the government and the corporation to cause such a lengthy delay; and because these Olympics funds were raised as the result of a federal program, as outlined in the Olympics 1976 act, would the minister advise this House what safeguards have been designed for the proper management of these funds, as there are no public tenders—

Mr. Deputy Speaker: Order. The hon. member should put a question, not make a speech.

[Translation]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I cannot give a detailed answer to the first part of the question because the arrangements have been made directly between the Minister of Finance and COJO authorities. However, I shall report to the hon. member when I get a precise answer. As regards the second part of the question, it has been clearly established that the federal government would not participate in the deficit of the Olympic Games and that the management of those games is under the responsibility of the City of Montreal, of COJO and of the government of Quebec. As we did not want to assume responsibility for the deficit, we cannot dictate administrative procedures.

[English]

Mr. Deputy Speaker: Order. We have gone very much beyond the time allotted to the question period. I think we should now go to orders of the day.

GOVERNMENT ORDERS

[English]

FEDERAL BUSINESS DEVELOPMENT BANK ACT**MEASURE TO ESTABLISH CORPORATION**

The House resumed, from Thursday, November 28, consideration of Bill C-14, to incorporate the Federal Business Development Bank, as reported (with amendments) from

[Mr. Lalonde.]

the Standing Committee on Finance, Trade and Economic Affairs; and motion No. 1 (Mr. Dick).

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, yesterday we managed to deal with the procedural question, and since motion No. 1 now appears on page 6 of the order paper under government order No. 14 we can now deal with the substance of the amendment. By amending clause 4(1) of the bill the definitions clause is in no way changed from its original conception. The Federal Business Development Bank is really an expansion of the Industrial Development Bank, not simply a retreaded version. The IDB can now lend up to \$950 million. The proposed Federal Business Development Bank will be able to lend up to \$2.2 billion, so hon. members can see the new bank as proposed will be almost twice as large.

This amendment proposes to restrict the new bank in a very minor way, though nevertheless it is a restriction. The new bank would be restricted to lending money or giving guarantees only to Canadian citizens, landed immigrants of a certain category—and the definition I have used for landed immigrants is taken from clause 9(2)(c) in the “directors” section of the bill—and the third category is British subjects who have been resident here since June 25, 1967, which is the cut-off date of the special status of British subjects pursuant to other legislation. In other words, the intention of the amendment is to restrict the lending of money by the bank to people who are Canadian citizens or will obviously become Canadian citizens.

Some people may consider this, as it is in fact, an amendment endorsing the principle of Canadian economic nationalism, which I suggest is something that we in this country must face up to. It is not an amendment penalizing foreign firms, but one that will try to bring under Canadian ownership the future economic expansion of this country. At the same time, we are trying to reserve the funds of this one bank for the advancement of Canadian ownership. Chartered banks can lend money to foreigners, and other bodies such as DREE, the ODC in the province of Ontario, PAIT under the Department of Industry, Trade and Commerce, and other government programs can be used by foreigners or foreign-owned firms as well as by Canadians. However, in the case of small business, which employs over 50 per cent of the Canadian work force and pays 50 per cent of the taxes in this country, we are reserving for their encouragement—which is the very aim of the Federal Business Development Bank as it was of the Industrial Development Bank—a pool of funds.

As I have said, I am not trying to penalize or prejudice foreign ownership. We know that Canada needs more investment. I am much happier when people from outside the country want to establish industry here and bring in their own funds. That is foreign investment in its most meaningful form. But in the case under discussion we want investment on the part of Canadians, instead of lending foreigners money to help buy us out. The Federal Business Development Bank will be owned by the Government of Canada; it is a public service that is paid for by taxes raised in this country, so surely a bank that is set up by the people of Canada should look to the development of Canada by Canadians. I think this would be a wise use of our funds and this is what the amendment is proposing.