

basis of the experts' recommendations. Political decisions, even with a technical background, should be made by the cabinet, subject to parliamentary approval. If the manager of a Crown corporation is making a mess of things, he can be fired or discreetly eased out. But if he is doing a good job why should the people of Canada not profit from his expertise?

During wartime government Crown corporations were given unlimited use of patents. I am referring to the days of Clarence Howe, who was as rugged an individualist as ever lived. The government of which he was a member established, at his instigation, a state-owned airline which has since become one of the world's major carriers and a profit-earner for the Canadian taxpayer. During the harsh years of World War II, when the Japanese rush through the Pacific cut off the Allies' supply of natural rubber, the same C. D. Howe put together a huge organization to produce the synthetic material. Its name is Polymer Corporation. It continues to flourish and earn profits for the taxpayers, earning them outside Canada as well as inside the country.

This same giant of the war years, Howe, was also the man who stepped in an expropriated, in the country's name, the one source we then had of the raw material for atomic fission, the Eldorado mine at Great Bear Lake. Under rigid government rules and prospecting controls a second source was discovered on the north shore of Lake Athabaska. Not for several years after the war was even the search for uranium released from complete federal control, and the government remains to this day the controller of all uranium sales. Through Atomic Energy of Canada, a Crown company, it is in the isotopes business, has to do with cobalt bombs, operates the reactors at Chalk River and is, in short, still very much in the nuclear energy business.

Ottawa is in a lot of other businesses as well, such as marketing the wheat crop, overseas telecommunications, mortgage and house financing, the Canadian National Railways, the production of documentary movies by the National Film Board and, of course, the CBC, at which everybody in the country has taken a swing at one time or another. The question before the House is: should the Canadian government be in any of these businesses? A corollary would be: should it sell out those which make profits, on the ground that Ottawa has invaded fields which properly belong to the entrepreneurial class? A personal answer to both these questions is a vehement no, to which let me add that I am not a socialist. But that is not the question before the House.

Taking that outworn argument to one side, this country lives and moves through the machinery of what may be called a mixed economy, necessitated by its tremendous distances, its vast area of four million square miles and its small population. Things are going to be that way for a considerable time to come. The problems the condition creates actually are much more serious in the pragmatic sense than the almost purely emotional content of such things as something called co-operative federalism, ethnic arguments, and the prejudices of regionalism.

Why should anyone in his right mind ask the general public which has taken all the original risk, which nobody else was prepared to take to provide a necessary service in

Crown Corporations

what is called "growth" industry, to dispose of it when the enterprise becomes successful and profitable? Possibly I am not particularly bright, but this looks to me like one of the most stupid notions ever encountered.

I was, in fact, flabbergasted when I read some months ago that when the federal government set up its Canada Development Corporation it proposed to dump Polymer and possibly Air Canada into it as sweeteners, leaving the government itself, which is nothing but agent for the sum total of the taxpayers, holding only 10 per cent of the capital stock of each of these wholly-owned revenue producing operations. Such a procedure would deprive you and me personally of 90 per cent of our interest in the operation and profits of both. Diluting the general public's ownership by nine-tenths would be a stockbroker's word for it. That, in my opinion, would be as immoral and corrupt an act as anything ever dug up previously.

The critics of government-operated corporations delight in making statements to the effect that these places are nothing but rest homes for the kind of people who think of a government job as the softest touch a man can find. They offer no proof, but simply pronounce what they regard as an axiom. They talk as if such institutions are run and managed by people incapable of competing in what is called the open market and are, in fact, not much higher mentally than the kind of person usually described as a slob.

Given sound management that is incorruptible and has the free hand to manage which any capable citizen insists upon as a right and a necessity before he accepts a management job, there is not a reason on earth why a Crown corporation should have less efficiency than the same kind of outfit that is privately owned. When management becomes either inefficient or corrupt, then you sack it and get somebody else—the rule which operates in either the private or the public sector.

Is it fair to ask the privately-owned Canadian Pacific to compete with a publicly-owned concern? This has always been one of the loud war cries of the "dump-the-CNR" crowd. Probably from time to time government competition has caused concern over on Windsor Street. But this, if true, does not eradicate two simple facts. The first is that an essential service had to be maintained. The second is that there has never been a buyer in sight who was prepared to acquire the Canadian National with hard money at anything like its face value, or who believed he could buy it at a fair price and make money with it—which seems to me to knock down another argument.

It will not take more than a couple of sentences to make the point that the National Film Board has done more to create a good image of Canada abroad than any other agency we have. It is a Crown corporation, and some think we should turn it over quickly to private industry. In addition it has rendered signal service in showing Canada and the infinite variety of Canadian ways of life to Canadians. That is worth money. Until recent years nobody else wanted to tackle this particular task, using his own money to do it, in the hope of making profit.

● (1720)

Is this a good reason for killing off the pioneer? Not in my book. Finally the CBC—it has been and still is the