

total area of Manitoba. They were given this right with the condition that the fees they would pay for cutting timber would be substantially less than those which any other company in the province has had or will have to pay.

This company is not yet fully in operation. The bulk of the \$100 million which the company has received has come from the people of Manitoba, through the government of that province, by direct grants and loans at subsidized rates of interest. Hon. members who question my judgment should read the book recently published by the associate editor of the *Financial Post*, certainly not a very radical organization, which deals with the ramifications of this development and others. It is likely that this company will never make a profit. The losses will be carried by the people of Manitoba who have put up all the real capital which has gone into the corporation. If, on the other hand, there are profits, and this is very unlikely, these will go to the promoters who, according to the associate editor of the *Financial Post*, have not put much, if any, cash into this project.

This is one of half a dozen illustrations which the associate editor of the *Financial Post* deals with in his book. I have used it to show that the prospect of this company making any profits is so small that, by the terms of the bill, the Canada Development Corporation will be precluded from investing any money in it. Despite the social benefits to be derived by the people of Manitoba, particularly the native people of northern Manitoba of whom there are a large number in the vicinity of The Pas, the government and the people of Manitoba will not be able to get any money from the Canada Development Corporation because it is not likely that this will be a profitable corporation.

When speaking during the debate on second reading of this bill I used the example of the steel mill at Sydney. This mill consistently lost money when it was privately owned. It was taken over by the government of Nova Scotia. With a high rate of unemployment in Nova Scotia, the government could not contemplate closing the mill with the consequent loss of several thousand jobs. There has been a fantastic change since the government of Nova Scotia took over this mill. The steel mill is making money. It is manufacturing products for which there is a ready market in Canada and other countries. The company is now employing more people than when the Conservative government of Nova Scotia took it over. However, the provision in this bill, which requires that a company in which the Canada Development Corporation invests must either be making a profit or show that it can make a profit, would preclude the Canada Development Corporation from investing in this steel mill which was taken over from Dosco and is being operated as a publicly-owned corporation.

● (12:30 p.m.)

There is another serious defect in this bill. We now have a large number of profitable Crown corporations which are very important to this country. I wish to mention some of them: Polymer Corporation, Eldorado

Canada Development Corporation

Nuclear Corporation, Northern Transportation Corporation, Air Canada and the Canadian Overseas Telecommunication Corporation. These corporations which belong to the people of Canada earn profits that accrue to the benefit of all the people of Canada, and what the minister is proposing, what is implicit in the bill before us is that some or all of them should be turned over to the Canada Development Corporation.

The government also proposes that the corporation shall be a joint enterprise carried on between it and private enterprise. To the extent that private capital is invested in the corporation and to the extent that private investors will derive benefits in the form of dividends or earnings which are plowed back into the corporation, the benefits derived from existing Crown corporations or others which may be taken over in the future are removed from the people of Canada as a whole. In other words, a gift is made of them to that very small number of Canadian citizens, estimated at 7 per cent, who will be able to invest in the Canada Development Corporation. Again, what the government proposes to do is to help those who have already profited most from the development and expansion of this country.

Not only does the bill discriminate against the people of Canada generally in the way I have shown, but it discriminates specifically and directly against the small businessman, against the new, aggressive, young entrepreneur who has an idea for developing an industry which might provide employment. It discriminates directly against that kind of person because it provides that the corporation shall not invest in companies which possess assets amounting to less than \$1 million. Surely the kind of person to whom I have referred is the man we should be seeking to encourage by providing capital where necessary and where such a course is justifiable. Surely we should help to get him established. But what the government says in this bill is that people who really need help may not be helped. What this bill sets out to do is to assist the giant corporations, Canadian and foreign, which have already benefited so greatly from our policies in terms of investment and in terms of tax concessions.

I hope the government will give fresh consideration to what it is proposing to do even at this late date in light of the speech made to the Canadian Economics Association by the former Minister of Communications, the hon. member for Duvernay (Mr. Kierans). I refer to the speech he made last week in St. John's, Newfoundland. The *Toronto Star* reported that when the hon. member for Duvernay concluded his speech to some 300 or more of the top economists in the country something almost unheard of happened—he was greeted with a standing ovation, something which economists do not usually accord to speakers. I assume that the Minister of Finance (Mr. Benson) and his parliamentary secretary have had an opportunity to read that speech. I do not believe I was the only Member of Parliament who received a copy of the speech in his mail box. The subject which the hon. member raised concerned taxation and the manner in which our tax system works. I realize this is not a budget