

Canada Development Corporation

industries for which there is a social need, if it is aimed at helping to provide work in fields where private enterprise has been reluctant to enter because of low profit margins, or if its aim is to prevent the takeover of Canadian industry by foreign companies, then I could see the reason for the Canada Development Corporation. As envisioned by the government and outlined by the Minister of Finance, the Canada Development Corporation will serve none of these purposes.

The government's plan to mix public and private funds means that profit will become the main purpose of the corporation. Indeed, unless it makes a profit private capital will not be interested. Why should a private investor put money in a company which is not going to maximize the return on that money? Why not invest in Canadian Pacific Investments, Argus Corporation, Investors Syndicate or Power Corporation? I am not being critical of these companies, because the aim of free enterprise is to make as much money as possible for its shareholders, but if an investor is faced with a choice, why should he invest in something like the Canada Development Corporation which has the purpose of helping develop a slow-growth region of the Maritimes, eastern Quebec or Manitoba?

There will be constant pressure on those who run the Canada Development Corporation to ensure maximum profit, Mr. Speaker. I suggest that maximum profit is not necessarily the same thing as serving the best interests of the Canadian people. Indeed, these two things are often in conflict. Despite a massive input of public funds, the need to make profit means that the corporation will not be able to invest where companies sell out or close because of losses.

Just a few months ago Dunlop closed a plant in Toronto, with the loss of about 500 jobs. Could the Canada Development Corporation, which must think about profit, have taken over that plant? Of course not. Could it take over some of the textile plants in the province of Quebec which already have abnormally high unemployment? Of course not. They were not making money, so the Canada Development Corporation could not enter into the picture. Because in the view of the government the corporation has to make a profit, and the way to do that is to give it control of successful, publicly-owned companies, the government proposes that it take over some companies which have been successful.

Polymer Corporation Limited has been mentioned. This is one of the most successful public or private corporations in Canada and has consistently made a profit. The government also proposes to sell enough of Panarctic Oils Limited so that the people of Canada will lose control of it. Panarctic Oils is a company with tremendous oil reserves which could be used for the benefit of all the Canadian people.

● (3:50 p.m.)

It is proposed that Eldorado Nuclear Corporation, which has a glowing future, will be sold to the Canada Development Corporation. It is also proposed that Northern Transportation Corporation is to be sold to the

[Mr. Orlikow.]

Canada Development Corporation. Mr. Speaker, Northern Transportation Corporation plays a tremendously important role for Canadians who live in the north country. The cost of living in the north country is formidable. The difficulties of moving about in the north country are forbidding; they are tremendous.

I suggest that in the interests of the people of the north and of the Canadian people as a whole, at times the Northern Transportation Corporation ought not to show a profit. Indeed, there may well be times when Northern Transportation Corporation ought to be run at a loss, to meet the needs of the people of the north. Yet it is proposed that this corporation, which is so vital to the people of northern Canada and to those of the Arctic region, is to be transferred to Canada Development Corporation, the prime purpose of which is the making of profit. How stupid a proposal that is! The proposal will make the lives of the people of the north country even more difficult than they are at present.

According to the minister, Canada Development Corporation will be restricted to dealing with companies with an equity of at least \$1 million. That will effectively freeze-out those people who most need the assistance of such a corporation. It will freeze out small Canadian companies and those Canadians with a good idea but who need capital to develop it. It will freeze out those kinds of free enterprises that members on the government side supposedly are so much concerned about. It will freeze out people who play such an important role in the life of this country and in developing this country according to the free enterprise tenets of the Liberal government.

The Minister of Finance says that this important, new government corporation will be prohibited from investing money in precisely those companies and those individuals who need its help the most. What is proposed is exactly the opposite. The company will be prepared to invest money in large corporations. Mr. Speaker, we are already doing too much for large corporations. In the past five years we have turned over to large corporations, mainly through the Department of Regional Economic Expansion, \$750 million in the form of outright grants, loans, incentive grants and research grants. Now the government proposes that those who have shall obtain more.

These large, and usually foreign-owned, corporations are already getting from Canadian sources over 90 per cent of the money which they need for expansion, through retained earnings, capital cost allowances and borrowings in the Canadian market. Now the government proposes to subsidize these giants of industry further through Canada Development Corporation. Studies have demonstrated pretty conclusively that many Canadian industries, and certainly large Canadian industries, do not lack finances. The studies show that there is a lack of knowledge of modern and sophisticated management, business techniques and leadership. What is needed is not more money but more government leadership, direction and co-ordination.

We of the New Democratic Party have been critical of this bill as it is proposed by the Minister of Finance. We have been critical for the reasons I have indicated. We are critical because the bill will do nothing to meet the