

*Canada Development Corporation*

provide other employment opportunities for those the corporation was letting go. I suggest that the corporation has been so responsible partly because it knew that its behaviour was under public scrutiny; and although hon. members could not question Polymer directly, they could question the minister responsible for the corporation who would have to answer in the House of Commons for the behaviour of the corporation in the market place. Polymer will be less responsive to the public need if it ceases to be a Crown corporation and becomes part of Canada Development Corporation, which is to be governed by the idea of profit making alone. It would be a mistake to transfer Polymer to CDC. The suggestion that that be done makes us very suspicious of the entire concept behind CDC.

The history of the Northern Transportation Company is interesting. It was begun to provide service in the north that could not be provided in any other way. The company has proven its value in the sense that it has not been a burden to the taxpayer and everyone acknowledges that it has more than adequately met the needs of northern transportation. The same could be said about Eldorado. Are we now to take these corporations of proven merit, corporations that have proven how valuable they are to the Canadian people, that have given the lie to those who suggest that public enterprises cannot operate efficiently and turn them over to CDC so that Liberals need not be reminded of the imperfections and paucity of their own philosophy?

It is for this reason and for the reasons given by the hon. member for Winnipeg North Centre (Mr. Knowles) that we have moved this amendment. If the amendment is not accepted, the suspicion will inevitably arise that the government's chief reason in setting up CDC was finally to liquidate the corporations which have served the Canadian people so well.

**Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) quite correctly observed that I have not commented on some of the motions before the House because, as I indicated earlier, I regard them as a package designed to convert CDC to the type of CDC the New Democratic Party would create if it were in the position to form the government.

**An hon. Member:** That is impossible.

**Mr. Mahoney:** It is not in that position and this party is; therefore, the bill we are considering is a bill to create a Canada Development Corporation that is in accord with the approach and philosophy of the party forming the government. Nevertheless, the specific provisions of Clause 39, which this amendment would seek to delete from the bill, are an equally profound demonstration of our differences in approach and philosophy. That is unquestionably so. It is fundamental to the bill. The government cannot agree to or accept the amendment.

It should be noted that that clause gives the government the authority to initiate the sale of these specified Crown corporations, and, in the case of Panarctic Oils, a Crown investment, to the Canada Development Corpora-

[Mr. Saltsman.]

tion. Whether or not such a sale will actually occur will depend on the willingness of CDC to purchase the Crown investments and the payment of a fair and reasonable price as a result of negotiations between the government and the management of CDC. In these negotiations, the federal government will be representing the taxpayers who currently own the Crown corporations or investment. The federal government will fully protect the taxpayers' interests in these Crown corporations and in the Panarctic investment by ensuring that a fair and reasonable price is obtained for them.

• (4:00 p.m.)

The investments listed in the bill are ones that seem to be possible candidates for sale to the CDC at the present time. It is possible that at a later date other corporations or Crown investments will be added to the list or, in a future review, circumstances might change and dictate that it is undesirable to conclude the sale that would be permitted under the authority of this clause. These were selected because they are Crown investments that are operating in the private sector and are or have the potential of earning competitive rates of return on investor capital. They are corporations which will provide the Canada Development Corporation with ready access to expert knowledge and management in certain key sectors of the economy.

Accordingly, Mr. Speaker, the enabling of the government to attempt to negotiate this sale is central to the CDC act as conceived by the government and this amendment is not acceptable.

**Mr. Andrew Brewin (Greenwood):** Mr. Speaker, I want to make a brief reply to the parliamentary secretary. He is entirely correct in saying that clause 39 represents a profound difference in philosophy between that adopted by this party and that adopted by his party. What I failed to hear in his remarks was any justification, in terms of any sort of philosophy, for having a publicly owned corporation which has operated with a great deal of success for the benefit of the people of Canada, the general shareholders, handed over to some still untried aggregation of capital. We do not know what it is going to do or why that should be done. This is clearly a retrograde step. We will continue to oppose it.

**Mr. Randolph Harding (Kootenay West):** Mr. Speaker, I should like to speak briefly on this amendment. As the hon. member for Greenwood (Mr. Brewin) has just said, the philosophy of our party certainly is not that which the parliamentary secretary has indicated is the philosophy of the Liberal party.

The four crown corporations which the government intends to take over have certainly been paying propositions and the future prospects are extremely bright. Up to 1969, the government investment in the Polymer Corporation has been approximately \$30 million. In the past 10 years, Polymer Corporation has paid \$39 million in dividends to the government of Canada. It has certainly served the purpose for which it was established. It has done a tremendous job. It has expanded and now has