

country; in another breath he said he is in favour of a little more open trade between the two countries. One begins to wonder just where his party stands.

● (1430)

The minister of revenue for the province of Ontario has indicated that he does not oppose investment of foreign capital in his province. The NDP Premier of Manitoba has indicated that that province is quite prepared to accept funds in the interest of developing the province. One gets the impression, from listening to the remarks of the hon. member for York-Simcoe, that all foreign investment is bad, at least when you listen to the beginning of his argument. Then when you get down the road a bit you are not so sure he thinks it is so bad after all. So he seems to come down on both sides of the issue, which makes it very easy when you have to talk to two different types of audience.

Since I opposed the hon. member's amendment in committee and I intend to oppose it here, I should reiterate my reasons for so doing. On the surface, the amendment seems to warrant commendation. Unhappily, the hon. member has not looked down the road to the impact that it would have. I suggest that it would have an impact in two areas, one of which he had the tendency to slough off, namely, its impact on large corporations in small communities. The second area is the impact it may have on the development of feeder companies or corporations that depend upon a large corporation for their markets.

I can think of a situation where a large corporation might make application through the normal channels to the banks and be unable to secure a loan, so they go to the Industrial Development Bank—or to this particular bank, once it is established—on the understanding that funds will be made available for expansion purposes. This will enable them to create more jobs for Canadians in Canada and buy more supplies from Canadian corporations and small businesses, which I think the hon. member is particularly endeavouring to assist. However, I think that in the way he has worded his motion it would have the opposite effect. The hon. member says that the fact that a large, foreign corporation may not be able to get a loan will not be too significant in some areas.

**Mr. Dick:** Madam Speaker, I wonder whether the hon. member would indicate what words he would like to have changed. He said that the wording did not seem to be quite right to him. Perhaps he would suggest how the wording could be improved.

**Mr. Cullen:** The wording could be improved by leaving it out altogether.

**Mr. Dick:** The hon. member just does not know what he is talking about.

**Mr. Cullen:** I know exactly what I am talking about. The hon. member is indicating that foreign-controlled corporations should not have access to the Industrial Development Bank.

**Mr. Dick:** That is not what the amendment says at all. It refers to foreign ownership. There is a difference between

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ownership and control; at least, if you know anything about the subject.

**Mr. Cullen:** Whether it is foreign ownership or control, the hon. member is completely shutting the door to small Canadian corporations who may depend upon large corporations to find a market for their goods, or to find jobs for Canadians as a result of expansion from increased capitalization in the form of a loan. I am personally aware of a large corporation in a small community that pays anywhere from one-third to one-half of the municipal tax load through both real estate and business tax. This has a significant impact on that community. Recently the corporation made application for a loan and I am happy to say it was able to secure one. As a result, this corporation not only consolidated the jobs it had already created but expanded its operations and thus created more jobs. If, as the hon. member suggests, we remove this flexibility from the bill, that consolidation would not have taken place, that expansion would not have taken place and extra jobs would not have been created.

I think the hon. member's idea is a commendable one, but the witnesses who appeared before the committee indicated quite clearly that the number of corporations that are not Canadian or run by Canadians and are taking advantage of these funds is insignificant, something under 1 per cent according to the checks they had made. It was so insignificant that one of the people working for the IDB for many years did not see any substantial amount of these funds going to foreign corporations or, as my friend would say, these foreign-owned corporations. I think that in removing this flexibility because there may be down-the-road benefits, the hon. member is doing a disservice to the people whom I think he is honestly trying to help but whom his motion does not, in fact, help. For these reasons I shall vote against the amendment.

[Translation]

**Mr. Réal Caouette (Témiscamingue):** Madam Speaker, Bill C-14, to incorporate the Federal Business Development Bank, whose prime object is to replace the Industrial Development Bank, has given rise to the debate in progress.

Some hon. members fear that the new bank will serve, as did in some cases the Industrial Development Bank, to finance foreign companies.

Now, the Federal Business Development Bank should of necessity be accessible first of all to our small industries. Recently, a citizen of my riding asked the Industrial Development Bank for credit amounting to about \$275,000. The minister answered that the bank does not loan more than \$200,000.

Now, if the bank has limited powers, industries requiring \$200,000, \$400,000 or half a million dollars, which are not exorbitant amounts, will go to the Federal Business Development Bank which will be able to help them by taking the precautions required to avoid, as mentioned yesterday, conflicts of interest.

Some hon. members or people close to the minister could borrow. The purpose of the bill before the House is to help Canadian industry.