

*Federal Business Development Bank Act*

I listened very closely to the remarks of the Minister of Industry, Trade and Commerce (Mr. Gillespie). I believe it was not consistent for him to say that he felt the idea, in principle, had merit and then criticize it in substance and in form. Surely the minister would be the first to agree that he could have proposed an amendment to his legislation to cover this point. Knowing that this corporation will go into a new phase of life and will put out over \$1 billion in the next four years, he should have written into the legislation a provision to make sure that the ten private interest directors who will be running this corporation will have the guidance of the legislation and this parliament in ensuring preferential treatment for Canadian interests. That is certainly the intent of motion No. 1 and that is why I support it.

**Mr. Blais:** Madam Speaker, would the hon. member permit a question at this time?

**The Acting Speaker (Mrs. Morin):** Will the hon. member for York-Simcoe (Mr. Stevens) allow a question?

**Mr. Stevens:** How could I refuse?

**Mr. Blais:** Madam Speaker, the hon. member for York-Simcoe (Mr. Stevens) cited a figure of \$44 billion in United States assets. Does he have any figures to indicate what percentage of that amount represents ownership by United States companies or concerns which come within the scope of this legislation?

**Mr. Knowles (Winnipeg North Centre):** What is the relevance?

**Mr. Stevens:** Unfortunately, the United States publication does not break down the figures as precisely as that. However, the point I was making is that the Americans seem to know more about the amount of their investment in Canada than the Government of Canada. If the hon. member is interested in such figures, it is high time he approached the responsible ministers and others and asked them to produce the figures so we know how much small, medium and large business in this country is owned by foreign interests.

[Translation]

**Mr. Joyal:** Madam Speaker, I should like to put a question to the hon. member for York-Simcoe.

Can he tell us whether he was attending the committee meeting when the president of the bank stated specifically how many American undertakings had applied for loans from the Industrial Development Bank?

[English]

**Mr. Stevens:** I missed the first part of the hon. member's question. If I understood it correctly, the general manager of the bank indicated that a relatively small number of foreign concerns have applied to the bank. I am glad this question was raised, because this is my fear. Up to the present time, the Industrial Development Bank, under the Bank of Canada, has been run as an efficient and very responsible organization. It is true they have loaned less than 3 per cent of their total funds to foreign concerns. However, I am apprehensive, now that this bank is coming under the Department of Industry, Trade and Commerce,

[Mr. Stevens.]

that we will not find in the bank the responsible management and direction we have had in the past.

I believe I have cause to be concerned, because we must bear in mind that the Export Development Corporation is now, and has been, directly answerable to the Minister of Industry, Trade and Commerce. That corporation has given financing to the extent of \$1.5 billion to 51 concerns in Canada, and the majority of these concerns are foreign-controlled. If we look at the list, we see that the seven largest benefactors of export development financing—I emphasize that this is under the Department of Industry, Trade and Commerce—have taken \$100 million in benefits each from the corporation. The majority of the 51 companies that have benefited under the \$1.5 billion that has been laid out by the corporation are foreign-controlled.

Surely we should be concerned. Here is a bank intended to help small businesses. It comes under the same management which produced the type of result that has been so beneficial to interests controlled by the United States. I would point out that the largest foreign-owned benefactor under export development is none other than M.L. Worthington, which responded to a decree from its head office in the United States that was extremely embarrassing to certain members on the government side of the House.

As we have stated before, we believe in the Industrial Development Bank type of approach. We hope the Federal Business Development Bank will carry on in the same fashion as the Industrial Development Bank. However, we were very startled in committee to find that it is now generally accepted by the government that no longer is this bank to be a lender of last resort. In short, it is a very active, state-run, state-owned bank that is invading the private sector. This is another piece of evidence which illustrates that those on the government benches are becoming more and more state-oriented, leading us into a state type of country, perhaps without the proper comprehension of many members of this House.

This was pointed out by certain private interests who appeared as witnesses before the committee. They, in effect, said they could not compete with the subsidized Industrial Development Bank. They were being undercut in their rates. They stated that if the bank was not run in a way more conducive to ensuring that private sector lenders would not be run out of business, they in fact would be run out of business. I mention this because I believe it would be unfortunate to have a state-owned banking system in this country. I am fearful this may be the opening entry of this lusty government into the ownership of our banking institutions.

**The Acting Speaker (Mrs. Morin):** The Parliamentary Secretary to the Minister of Finance (Mr. Cullen).

**Mr. Knowles (Winnipeg North Centre):** Now for the lusty reply.

**Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance):** This will be a very quiet and subdued speech, because that is the way I usually am. Madam Speaker, I listened to the hon. member for York-Simcoe (Mr. Stevens) take the usual Tory stance and come down firm on both sides of the issue. In one breath he said there is \$44 billion of United States investment or ownership in this