

However, the federal Government, aware of its responsibilities to ensure those benefits, announced the formation in January of this year of the Advisory Council on Adjustment. This council will assist the Government in at least three different ways. First, by examining the possibilities for Canadian businesses and workers to position themselves for optimum benefit from the free trade agreement. Second, identifying specific adjustment issues or circumstances, and examining various government programs that support adjustment by firms, workers and communities. Third, recommending any changes to those programs which would improve their effectiveness, efficiency, or equity as instruments to facilitate adjustment to the opportunities or issues arising from free trade and other issues.

However, it is not the intention of the Government to reinvent the wheel. There are in place a number of different programs and initiatives to assist in the difficult area of worker adjustment. However, the messages we have been receiving from the private sector are quite clear and, I believe, quite correct. The proper industrial policy for the Government of Canada is to allow market forces to work. I will repeat that for the benefit of members of the NDP: the best policy is to allow market forces to work.

This is something that I think has continuously escaped, and perhaps always will escape, the understanding of the NDP and those committed to socialism. They suggest, and you have heard it many times in this Parliament and those who have been here longer than you or I have also heard it before, that the Government should step in on every money losing operation, not just money losing operations either. The motion says any shutdown would have to be justified by demonstrating long-term losses. Presumably a company that loses \$1 million or \$2 million in a year is not what we are talking about. We are talking about the real big bucks over a long period of time, and there have been lots of examples. You do not have to look too much further than some of the Crown corporations we have been blessed with in the past. The names of Canadair and de Havilland come to mind. Perhaps they would qualify in the sense of long-term losses.

As you know, those two corporations together lost not just hundreds of millions of dollars, but billions of dollars. Yet when the Government of Canada came forward with a sensible plan to turn them back over to the private sector, the squealing and bleating from members of the NDP could be heard right across the country. Even then I am sure that under any criteria brought forward by the NDP, losses of billions of dollars still would not quite make it because they are committed to a different kind of Canada, one in which the public is always involved in either ownership, financing or control.

• (1730)

If the last four years have taught us anything it should be that when private industry is encouraged it will become the engine of growth in society. It is not public dollars and public

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enterprises which create long-term jobs, it is market forces which create them. I believe this motion should be rejected out of hand.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, the motion before the House asks the Government to consider the advisability of introducing legislation to prevent plant closures when those plants belong to corporations which have received federal funding, in other words federal grants or soft loans. The motion says that if a company which has received federal grants wishes to close a plant that was subject to those grants, it would have to make its books public and would have to demonstrate that it suffered a long-term loss before being allowed to close the firm.

I have no trouble supporting the principle behind this motion. It is true that it lacks detail as to how such a measure should be carried out. However, we are, after all, debating a motion and not a Bill. The motion says that the Government should consider the advisability of introducing legislation to prevent plant closures under the conditions to which I referred. I think that most people sensitive to the plight of workers would support the principle behind this motion. If the motion is passed we would expect the Government to bring forward a Bill setting out procedures and methods for carrying out such a proposal.

There are some vague parts to the motion but they do not interfere with the principle behind it. I presume that the words "prevent plant closures" refer only to the manufacturing sector and not service-type industries which might also receive financial assistance from the Government. The motion does not specify any period of time between when the funding was received and the proposed closure. However, I would expect that any legislation coming forward as a result of this motion would impose a time limit. In other words, if the federal funding had paid off for a period of time to be determined by the Government this type of thing would not apply and the market system would prevail.

I thought it was rather amusing that when the Conservative Member spoke to this motion he completely forgot that the motion speaks only of corporations which had received federal funding. He said that the market-place should prevail and that if the market-place says a company should close down, it should close down. Of course, he forgot to mention that we are talking about companies which do not operate totally under the market-place system since they have received federal funding.

As you know, federal programs provide funding to corporations which will locate in slow-growth areas of the country. These are often referred to as our regional development programs. We try to stimulate companies to set up in the Atlantic Provinces, the Gaspé, the Eastern Townships, northern Ontario and northern Québec, areas which do not attract investment as easily as do Toronto, Montreal, and Vancouver.