

An Hon. Member: How many created?

Mr. Peterson: The Inglis plant in Toronto is a typical example. It was producing one of the finest washers in Canada. It will be closing and production is going to be shifted to Whirlpool's head office plant in Ohio. It will serve the Canadian market fully out of there. The Minister talks about being able to intervene in a constructive way in the Canadian economy. Has he even met with the union that is trying to keep the plant going and take over production for all of the North American market of the line that is being discontinued? Would he be good enough, if he has not already taken the initiative, to sit down with these people and try to work out something that will be good for Canadians?

In Bill C-3 there is a section which talks about special assistance that will be available by order in council to industries or companies selected by the Government. What is the record of intervention by this Government on behalf of individual companies and individual workers in difficulty?

Let us look, for example, at Lumonics, a world leader in laser technology. It could not get the funding in Canada to carry on the expansion that it needed to become a big player on the global scene. In desperation it sold out to the Japanese corporation Sumitomo. If we cannot give the edge to these Canadian threshold companies that have developed the world's leading edge in technology so that they can be Canadian controlled and tackle the world market, we are in desperate shape. We will not have an industrial policy for the benefit of Canadians. It is far too easy to cheaply sell our world class technology, developed in Canada with public money, to foreign firms.

• (1210)

Connaught is Canada's leading biotechnical firm. It is the maker of the Salk vaccine and many other medicines that are sold around the world. Under this Government, 51.6 per cent is being bought out by a French company that is controlled by the French Government. It is a fundamental strategy of its public policy to control this leading player in the world technology scene.

I believe the federal Government is ceasing its involvement in a program where it provides generic programs and assistance to all Canadians who meet the criteria and gives the back-up which only Governments can give, be it an American Government, French Government, Japanese Government or any other Government. The federal Government is abandoning its

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supportive role for industry and instead has decided that it will intervene on a case-by-case basis. The Government has also dramatically reduced the funds that will be available to less than half their present levels.

The Government knows that when it attempts to intervene on a case-by-case basis it will run up against the Free Trade Agreement. The moment it gives specific assistance to any particular company, the Americans will cry foul. That type of subsidy will become countervailable under American law and the Government will say it cannot take action because it signed a sacred accord with the Americans which now prevents it from pursuing the policies that it would like to pursue. It will say that it can no longer pursue these policies to assist specific Canadian industries and firms because these will contravene the Canada-U.S. Free Trade Agreement.

One of the major tools that was critical to the Government in order to go about the pious tasks outlined by the Minister was the ability to assume a creative role of intervention, assistance and support in working with Canadian firms.

I also see a danger of favouritism. The assistance programs provided for under Clause 9, known as special assistance, are made by Order in Council rather than by meeting broadly publicized criteria for which any Canadian can apply. They are direct political decisions. The possibility of favouritism is great.

We have seen in the past that the Government is not above using economic levers to achieve other policy objectives. We have seen frigates being awarded in return for support for a free trade agreement. We have seen offers being made of extensions of the Trans-Canada Highway if there is support for Meech Lake. This is the wrong direction for adjustment assistance to take.

It may be argued that the Government will exercise its discretion in a non-political way. The one case in which the Government has intervened directly in recent days on behalf of a company is in the case of American Express. In spite of the fact that five of the nine guidelines for the admission of foreign banks to Canada were offended and broken, the Minister of Finance (Mr. Wilson) announced that American Express would be allowed to come to Canada, that is until we raised a clamour in the House. That is the type of political patronage and opportunism for friends that the Government is prepared to carry out. It has demonstrated that this will be its hallmark. American Express was the company that led the fight in the United States for free trade.