

encourage the generation of capital from Canadian sources both from the point of view of national pride and sound investment? I suggest that as presently constituted, the CDC could lead to disaster. Certainly I do not see it reaching any of the objectives that are so important. In fact, the whole concept as presented is just a shadow of what was once talked about five, six, seven or eight years ago by the government. Tragically, this version of the CDC will practise economic nationalism only when it is profitable to do so. Tragically, also, it will not increase in any appreciable way the amount of capital that Canada's development needs. It is said that initially the government will be the sole shareholder of the Canada Development Corporation. If the CDC is to be the kind of organization in which the Canadian people have confidence, why does it not encourage investment by individual Canadians right from the beginning? Why is it necessary that all the directors of the CDC be, initially, government appointees even though the bill stipulates that the government will eventually appoint only four of the 18 to 21 directors? If that proposition is sound later, why is it not sound at the beginning?

I note that the legislation provides that until the government's share in the CDC drops below 50 per cent—which is not going to happen in a hurry—the Deputy Minister of Finance, and Industry, Trade and Commerce will sit in on the deliberations of the board as ex-officio members. The government is continually complaining that the opposition does nothing but criticize.

Mr. Whicher: That is right.

Mr. Thompson: Well, my hon. friend, listen for a little while and I will give you some humble suggestions about how the Canada Development Corporation might have been brought into being on a more satisfactory basis.

If the government believes that such a corporation is necessary—and six years ago Mr. Gordon defined its objectives—I contend that right from the beginning it should have made the corporation one in which individual Canadians could share. Let it be a corporation in which not only those who have amassed wealth can invest; let the Canadian people at large buy a \$10 share, 10 \$10 shares, or 100 \$10 shares, and buy them for their own good. While immediate returns might not be as profitable as investing their money in a dead type of investment such as Canada bonds, nevertheless within a short time the investment could produce returns directly to the investors as well as to the benefit of the nation.

If the government is convinced that this is a sound proposition, why does it not hold a competition and recruit 20 of the best men in industry who know and are experienced in development investment and finance? There are tremendous talents available. Men from private industry should head this organization, since it is supposed to be a private corporation. Why does the government not get out of its way and let it function as a private corporation, if it is meant to be such? Instead of that, even before the bill has passed the House a civil servant is mooted as the one who will head the corporation. I am not in any way criticizing the individual concerned, but the civil service is the wrong place to recruit

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the head of this corporation. He should be taken straight out of the industry.

Mr. Pepin: That is where he came from.

Mr. Thompson: If that is so, he should be supported by men who are not in the government service at the present time.

Mr. Pepin: What is wrong with having both?

Mr. Thompson: Somehow or another I cannot trust government appointments made in this way. Either government pork-barrelling or Liberal party patronizing will be the criterion behind such appointments. I think we should try to convince the Canadian people that this is a genuine private organization; that the government does not exercise patronage by appointing the directors of the board. If one thing is certain, it is that the holders of perpetual bonds who invested their money in good faith, with government encouragement, will not be investing in the CDC. These people have been denied the right to redeem those bonds at par and have lost not only their capital investment but the benefits accruing therefrom, benefits that have gone to someone else down through the years since these perpetual bonds were put on the market just prior to the beginning of the last war.

I also think that this corporation should move its base of operations as far away from Ottawa as possible. I would not mind if the government established it in Calgary South. The hon. member for Calgary South (Mr. Mahoney) has had a lot to say about tax reform. He needs a little support in the next election if he is going to be here to assist in developing the tax reform policies that the government is talking about. I would be even happier if the CDC were based in Vancouver—but at least get it away from Ottawa. Let private investment, initiative and enterprise get behind it, if it is to be what the government says it will be. But I submit the government has no intention of letting this come about.

Mr. Deachman: Mr. Speaker, would the hon. member permit a question? I wonder whether I hear him aright. Did he say the headquarters should be in Vancouver? I just want him to confirm that that is what is in his mind.

Mr. Thompson: I think that would be a very good idea, Mr. Speaker. I should like better to see it based in Alberta, but you could put another 500 or 600 miles between it and Ottawa by basing it in Vancouver, and that would be good.

• (3:10 p.m.)

I believe the hon. member for Esquimalt-Saanich (Mr. Anderson), that great ecologist and gentleman who is the authority on how to transport oil from the northland, is suggesting that we should establish the headquarters in Esquimalt or Victoria.

Mr. Anderson: Mr. Speaker, I should like to say, for the record, that this was not my proposal. I did not suggest that the headquarters should be situated in Esquimalt. I suggested that if the Canada Development