

*The Budget—Mr. Peters*

which should be faced in the budget statement by the Minister of Finance, if he is worth his salt.

I would like to quote again the same writer, this time on another matter on which he is more specific and on which he comes to a conclusion, but again his stand is not too definite. I suggest to him that working as he does for the *Toronto Star* he should find it very easy to take a stand in between elections—although his article may not appear at election time—because he will find much support from small “I” liberals who read the *Toronto Star* and share its views. He refers to a rift which has appeared among some Liberal backbenchers concerning the Canadian economy, and speaks about the Canada Development Corporation. This is what he says:

The development corporation was first conceived by former finance minister Walter Gordon as part of his 1963 package of policies to counter the steady take-over of Canadian business and resources by U.S. capital. It was supposed to mobilise Canadian capital as an alternative to the growing foreign investment.

I should like to say that that statement is not correct. The Canada Development Corporation was an idea that was developed at the New Democratic Party convention in 1961. Many of the people who participated in the development of the New Democratic Party later became executive officers of the Liberal party. Some of them are now members of this House, and several of them are members of the cabinet. At that time many members of the elite in the province of Quebec supported the idea of the development of the New Democratic Party and were also interested in the development of the Canada Development Corporation, an idea which was later picked up by others and interpreted in a number of ways. There is still great division among Liberal party members regarding the Canada Development Corporation. The article goes on to say:

As president of the Montreal Stock Exchange in 1963, Eric Kierans played a leading part in destroying Gordon's program. Today he is communications minister and believes it would be a great mistake for the corporation to sell shares to the public or to become owner or controller of any Canadian business.

Let me say that he is not too damn good with one of the businesses we already have in Montreal, and if he does not smarten up he is going to be out of that business as well. The article goes on:

Kierans suggests that the corporation should use government funds to buy secured bonds in Cana-

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dian enterprises needing capital. The private owners would put up the risk capital, control the company and take the profits.

But should the government tax Canadians, including corporations, to raise money for the corporation to lend to other Canadians for business purposes, with no degree of control or share in the profits?

In the era of giant corporations, drawing on vast financial and managerial resources and operating across national borders, some Liberal thinkers see the corporation as Canada's best chance to compete with U.S. companies. They would like to see the government provide the framework and the initial finance to mobilize money and talent to give Canada a chance in the big league of world business.

• (5:20 p.m.)

This would mean direct state intervention in business, and would not be acceptable to more conservative Liberals who still put their faith in free enterprise.

Then, there is a heading, “A Radical Version Appears.” I should tell him it predates the last radical version.

The New Democratic Party, meanwhile, has appropriated the corporation idea, and written a radical version into its own program. It would require all financial institutions and corporations to put part of their resources into Canada Development Corporation bonds, and the development corporation would be an agent of government, directing investment, expanding public ownership, aiding regional development, organizing mergers of small business into large, efficient units, and providing scientific, technological and managerial expertise to private industry.

As the Liberal party often responds to pressure from the Left by taking over some of the N.D.P.'s ideas, it is reasonable that some Liberals will associate themselves with this concept of the Canada Development Corporation.

When Gordon first proposed his corporation seven years ago, it was considered dangerously radical and was bitterly attacked by private business interests. Today, the Gordon blueprint looks mild in comparison with some alternatives.

The government will have to go ahead in many fields. This afternoon we heard some criticism of and some support expressed for regional development. There has been considerable criticism of the recent announcement concerning designated areas. I am not too clear what designation will mean for the new areas encompassed by it, but it certainly means one thing to the members who represent those areas.

I was interested to hear their statements on this matter. I was interested to read the minister's statement on his proposals, as reported in the press, and I am interested in the reaction shown by some of the provincial governments concerning this new designation. I will be interested in seeing how it develops. But,