

It is interesting to speculate on what would happen in the case of Home Oil, a subject which the House debated last week at some length. We were told by the Minister of Energy, Mines and Resources (Mr. Greene) that the U.S. owned Ashland made an attractive offer for Mr. Brown's holding and Cygnus. What would happen if the Canada Development Corporation entered a counterbid? By so doing, it would at least maintain the right of sale to the highest bidder. Or would it? Not if Mr. Brown were required to sell only to Canadian interests. In these circumstances, the CDC would only have to set its bid slightly higher than the highest Canadian bid. This would only be in part less satisfactory than being forced to sell to the Canadian bidder. Let us suppose, then, that CDC did offer the highest bid. Is CDC equipped to operate in such a high risk area as oil and gas, exploration and development?

Mr. Brown built up Home Oil by his willingness to take extreme risks. Perhaps he was also lucky. He played for high stakes with his own money and the money of others who knew what the odds were in that highly demanding business. Is CDC prepared to do this, at least in the beginning, with taxpayers' money? It is not likely that it would be prepared to do this. Home Oil, under CDC ownership is not likely to grow. Perhaps it could maintain itself for a while. Most oil companies must either continue to grow or must face slow death. What would this action have done for the Canadian economy? Very little, except to channel resources that could well have been used in more fruitful areas of the Canadian economy.

There seems to be little sense in having this bill clutter up the Order Paper at this time when we have a government reorganization bill that goes a long way toward revamping the whole government process. Furthermore, the superannuation changes in this bill will create a whole new concept in the civil service. There are many other aspects of Canadian life that are important and need attention, not the least of which is whether we have a centralized or a decentralized form of federalism. The CDC makes little sense. If it is aimed at appeasing the economic nationalists within the country, it will be only window dressing.

The CDC cannot hope to begin to cover those areas where activity in foreign takeover might be considered to be disadvantageous to Canada, unless it is aimed at taking over the whole economy. It would be much better if the government, in its handling of foreign capital, confined itself to making policy rather than attempting to manage individual businesses. Rules and regulations for foreign capital would be much more effective and give the government a better over-all perspective and judgment in the national interest. Crown corporations would deal in those areas where these rules and regulations would not apply. So far as economic nationalism is concerned, the CDC will not accomplish what the government hopes it will, even if it were possible to arrive at a consensus.

To those who see the CDC as a means of attracting many small investors, let me say that it seems doubtful

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that it will significantly increase their participation. The way to increase savings is to make a bigger pie. The CDC will do nothing to increase the size of the pie. As I stated previously, the government, through its proposed white paper on taxation and many other ways, has indicated that it does not regard personal savings as being particularly desirable. Instead of setting up the CDC, progressive tax changes would be much more effective in increasing the volume of savings that the Canadian people might generate.

Mr. Speaker, I regard the bill establishing the CDC to be not particularly desirable at this time.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I feel compelled at the outset to say a few words which I hope will somewhat recast the rather distorted picture of the Saskatchewan economy, as it was under the CCF government, painted by the hon. member for Prince Edward-Hastings (Mr. Hees) and the hon. member for Dauphin (Mr. Ritchie). Each of those hon. members, in remarking upon the technique of public ownership, trotted out the hoary old bogeyman of the Saskatchewan boot factory as proof positive that it does not work. That is about as logical an approach to discrediting public ownership as it would be for me to spend some time citing the numerous private bankruptcies that occur in this country daily and weekly in an attempt to discredit the private sector of the economy. Surely, the point is that taken in total public enterprises in Saskatchewan had provided by 1960 a profit of approximately \$22 million to the Saskatchewan people. Surely, the point is that in the 20 years in which Saskatchewan was under the management of a democratic socialist government it changed in character from a "have-not" province, one of the least economically developed in the country, one with some of the greatest social and economic problems, to a province which in 1964 under a new tax sharing agreement was designated as a "have" province.

Let me now turn to the bill creating a Canada Development Corporation which, perhaps better than any other piece of legislation placed before the House in recent years, illustrates the fundamental and irreconcilable differences between the New Democratic Party and the Liberal government. Faced with three economic problems of almost overwhelming proportions, the government has chosen the totally inadequate device of creating yet another private mutual fund to meet them. The problems to which I refer are the rapid and now almost irreversible trend toward foreign ownership of our economy, vast disparities in wealth and economic development as between the various regions of this nation, and our seeming inability to create the jobs necessary to accommodate a rapidly growing labour force and the needs of people being forced out of work by automation.

This government has consistently relied, for purely ideological reasons, I suggest, upon the private sector to discover solutions to the problems, and hence has never advanced beyond indicative planning in its own efforts to solve them. The government has been consistently disappointed by the private sector in each of its efforts, but