

Canada Development Corporation

changed very substantially before any benefit will come to the Canadian public.

For these reasons, Mr. Speaker, I hope hon. members will consider some of the arguments I have placed before them in favour of amending this legislation so as to make sure that this corporation becomes the property and ultimately the pride of the Canadian people, rather than the special hunting ground of a relatively few affluent citizens.

● (12:40 p.m.)

Mr. Deputy Speaker: The Chair sees the hon. member for Edmonton West hurrying to his seat. Now he is there I will recognize the hon. member for Edmonton West.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I apologize to the House but the hon. member for Waterloo (Mr. Saltsman) did not flash the "minute signal" and I was expecting the parliamentary secretary to reply to the amendment moved by the hon. member. This is an amendment that was moved either by the hon. member or one of his colleagues in committee, and following a good deal of discussion of it the amendment was turned down.

Personally, I am opposed to the amendment; not that I have any favour at all for this bill. We intend to propose no amendments, to support no amendments and to support nothing in the bill. I feel this bill is such a bad job that there is no way we can try to flush out a cadaver. To use another simile, I have said many times that I believe the Canada Development Corporation is strictly a non-starter; that there is no way this particular form of corporation as proposed in the bill can be improved so as to make it a viable proposition. One would have to start again from the ground up, and given the shape of the bill it is impossible to do that.

However, the amendment of the hon. member for Waterloo does give the House an opportunity to discuss some of the principles of the bill. We referred to them in the second reading debate. I have before me *Hansards* for last January when the bill was debated on the first instance on second reading, and a goodly number of members participated in the debate from time to time. There is no question that the original debate displayed a certain flavour of concern about foreign ownership and so on; but as hon. members gradually realized that there was no question at all that in this or any other form the Canada Development Corporation would affect the nature of foreign or Canadian ownership of companies, the debate came back to a discussion of the particular form of corporation that was proposed.

Your Honour will remember that initially there was considerable debate about whether the government had brought in the bill in the right way. A procedural question was raised and a ruling was made. Although I have some reservations about the reasoning behind the ruling, the ruling is there and one must abide by it. Nevertheless, I hope the officers advising the Chair would review the material on which they based their decision, because as I say—and I say this respectfully—some of the reasons for the decision are somewhat suspect on a logical basis. I

[Mr. Saltsman.]

admit this is a new form of corporation and a breaking of fresh ground, but I do have some reservation about that particular decision.

In any event, the amendment moved to this clause by the hon. member for Waterloo reveals the difficulty that was expressed in the majority of briefs that were presented to the committee, even the brief presented by the Liberal Association from the Toronto area. They called into question the sort of paradox that exists in this particular bill. This was illustrated as well by the minister and his parliamentary secretary, in what has been interpreted as the widespread demand on the part of the Canadian public for participation by the more modest investor in a corporation that would assist in the development of Canadian industry and business and the maintenance of Canadian control, when both the minister and the parliamentary secretary said that it would be five years—in reply to a question at one time it was said that it might even be ten years—before the corporation had established what was called a track record in regard to earnings that would justify the government in deciding that the shares of the corporation should be offered to the public.

We are being asked to buy a real pig in a poke so far as response to public demand is concerned. We know it is there. The public is exercised about the degree of participation by Canadian investors in Canadian corporations and Canadian industrial and resource development. But the answer of the government has been to erect a two-headed monster, each of the heads opposed to the other in principle. First of all, the white paper on taxation made such investment more difficult and discouraged Canadians from owning and participating in Canadian business, particularly in competition with United States and foreign neighbours. It was not a case of Canadians being placed in an equal or more favourable position; the white paper, with its chaotic idea of equity among taxpayers, made investment even more difficult. I must say in parenthesis that I am absolutely astounded at the theories put forward by the hon. member for Duvernay (Mr. Kierans), formerly a cabinet minister, who wants to give strength to what I consider one of the two heads of this monster.

The second head was the Canada Development Corporation in which no opportunity will be given for public ownership and public participation for at least five or ten years, after being used as a sort of closed-end mutual fund and having established a kind of track record. This operation was to be based on four government Crown corporations and was to be established, on the one hand, with a view to public ownership. On the other hand, clause 6(1) provides that the corporation—

—shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole.

Where does one reconcile public interest with the interests of the shareholders as a whole? What a classic example of the dilemma that is faced by a corporation such as this that is charged with acting in the public interest. There is nothing wrong with charging a corporation to operate in the public interest. Certainly, if it is