

opment, and we want to continue loading it on and pumping away faster than we can provide the water in the well. It is as though we were trying to pump out more water than is flowing into the well and, naturally, the level has been going down. Now because it is becoming perilously close to the bottom with regard to some industries, cries of alarm are going up. But we have been doing that to ourselves all these years, and the government comes along without, as I say, a policy as to foreign ownership, without an industrial development policy and we are asked to approve the plan of a Canada Development Corporation as it is before us.

Mr. Speaker, I have been very critical of this proposal, basically because of these things. I am not involved at all in the question of the degree of foreign ownership that should be allowed, nor the degree of economic nationalism that should be rampant today in Canada, because what I am doing is criticizing something that has come out of the blue and which so to speak has been placed here in a vacuum. We are asked to accept it as the instrument which will cure, what? We do not know, Mr. Speaker, because the policy has not been disclosed to us.

I suppose this bill will take some time in the House and will take much more time in committee. Perhaps by the time the public gets to hear of it and has an opportunity to read it, we will have the report being prepared by the Minister of National Revenue (Mr. Gray) which will give us an inkling of the government's thinking in respect of foreign ownership. I would think now is the time for the Minister of Finance to recast his thinking with regard to the tax plans he is to divulge in late April or early May, so we would know what is to be the position of the Canadian investor and what kind of a taxpayer he is to be. On that basis, all I can say is that we will take our time with this bill because there are a great many questions to be asked and as many answers to be given to us before we can accept it.

**Mr. Max Saltzman (Waterloo):** Mr. Speaker, after waiting eight years for a Canada Development Corporation we finally have a bill before us. The big question, of course, is why the government bothered, since it really is not much of a bill and I will not have very much to say in its favour. This needs a note of explanation since the New Democratic Party has for many years been in favour of a Canada Development Corporation.

The bill before us, however, falls far short of what we think is required in such a corporation. We look at this bill and all we can see is a gesture for propaganda purposes. It seems to be designed to undercut the growing concern that has taken place in this country with regard to foreign ownership. It seems to be designed to lull the people of Canada to sleep. It is satisfying that the build-up in this country is to the effect that we are in a desperate situation and something is required. So the Liberal party has given the people something. But unfortunately that something winds up being nothing but a deceitful joke and little more than a mirage held before desperate public opinion.

#### *Canada Development Corporation*

We have been told, perhaps more than we have been told other things, of the things the bill will not do. We have been shown the negative aspect of things. There has been a great defensiveness on the part of the minister in reassuring everyone in Canada of the things the bill will not do. It is not going to buy back Canada. He makes an argument on that, but nobody has really asked to buy back Canada. What we are concerned about is the future, and certainly we cannot do very much about the future with the kind of bill the minister has introduced.

• (9:20 p.m.)

Prior to the formation of the CDC there must be a definite limit on foreign ownership in this country. One of the reasons Canadian industry has been sold out is that we do not have laws limiting foreign ownership. In the absence of those laws, the advantage is always with the foreign buyer for whom it makes more sense, and is more profitable, to buy a company and integrate it into an international corporation than for Canadians. Contrary to what the previous speaker said about our tax laws not encouraging a sell-out, tax laws have encouraged a sell out; but probably he would not admit to it.

It has probably been the absence of a capital gains tax in this country that has contributed to the selling out of Canadian businesses because there is an enormous advantage under our present tax laws, under which capital gains are not taxed, for a company to sell out, to take their money and not pay any tax on capital appreciation. Had we had a capital gains tax in the past, the problem we are facing today might not have been as severe. So I am suggesting that we need a framework and definite limits on foreign ownership in order to make any kind of system work, particularly laws regarding the level of foreign ownership in our country.

It strikes me as one of the strange things in our society that those most opposed to limiting foreign ownership in Canada are Canadian businessmen. One has only to look at the representations made by spokesmen for Canadian business when they come before our House of Commons committee to see how determined they are that legislation affecting foreign ownership shall not be passed. There are exceptions. Walter Gordon and some of the Toronto-Tory nationalists had other points of view on this. The reason is simply that if you limit foreign ownership, you cut down on the number of opportunities and the number of customers available for business to be sold to.

When we talk about the Canadian businessman being concerned about the national interest, we should not kid ourselves about it and perhaps we should not expect it either, because they are the ones who have felt that in the interests of the profit motive we should have the kind of economy we have today—that there should be no limit on foreign ownership or on the opportunity to pursue profit motives.

One of the other things that this bill specifically excludes is assistance to small companies. I do not know why the Minister of Finance (Mr. Benson) had to go to