

*Canada Development Corporation*

before Parliament and the nation at the present time. It is only possible to conclude in the light of this analysis that the Canada Development Corporation, as outlined in this bill, was designed more as a political gesture than as a measure likely to have a real economic impact.

Having made this assertion, I should proceed to back it up with concrete evidence. In the first instance, far too many of the legislative initiatives of the government are put forward on the basis of their political impact rather than on the basis of their potential benefit to the economy.

**Mr. Pepin:** Perish the thought!

**Mr. Dinsdale:** Because the issue of Canadian economic nationalism is of great concern at the moment, suddenly, after eight years of equivocation, delay and hesitancy, this bill is brought before the House and is being pushed to the completion of the second reading stage. There are many other matters of much greater concern which Parliament would be delighted to deal with if the government would only place the items on the Order Paper and bring them forward for debate. Instead, we are presented with a phony bill which has been talked about by the last two Liberal governments and which, on the admission of the Minister of Finance himself, will do nothing to end the continuing takeover by foreign interests of the Canadian economy.

Spokesmen for the government have pointed out that there is a difference of opinion among various opposition groups as to the effect and significance of Bill C-219. Members of the NDP have criticized the bill because it does not go far enough in meeting the objectives which spokesmen for that party have often put forward. I believe it was the NDP, or its predecessor the CCF party, which first put forward the notion of a development corporation which would give the government sufficient economic power to enable it to operate with considerable effect in the business and industrial world. The criticism offered by the NDP is that the bill would have no significance in this regard. In other words, they are saying it is a shame, full of sound and fury but signifying nothing. On the other hand, spokesmen for the official opposition have been saying that the CDC, instead of assisting in industrial and economic development, will actually have a negative effect. This has been the main concern of spokesmen from the group to which I belong.

It was the Liberal party which first put the notion of a development corporation specifically into the Speech from the Throne back in 1963. At that time the Honourable Walter Gordon was minister of finance. He came to Parliament full of hope and optimism about the brave new world which would be established by his budget proposals, and particularly by the economic enterprise which he described as the Canada Development Corporation. We all know what happened to his budget proposals. This was the ill-starred budget which paved the way for some of the major economic troubles which have beset us to an increasing extent all through the latter part of the decade of the sixties. Indeed, it was the

[Mr. Dinsdale.]

budget chiefly responsible for the runaway inflation, the control of which is still the keynote of the present government's economic policy.

● (12:40 p.m.)

Though the proposition was first put forward formally in 1963 by the former minister of finance, it had been talked about by other Canadian politicians. The Honourable Alvin Hamilton was a leading proponent of the Canada Development Corporation. This was when he was minister of northern affairs and national resources. His idea was to make it possible for Canadians to become involved in the real process of economic development in Canada. Our rich Canadian resources in the underdeveloped parts of this country, which include a large segment of northern Canada, should be developed in the best interests of Canadians in all parts of the country.

It is interesting to note that the government has almost stumbled into an acknowledgement that the role of the CDC is northern oriented, that this is where the action should be. In bringing together the Canada Development Corporation, the organization is largely going to be based, in the early stages of its operations, on three Crown corporations whose activities are largely carried on in northern Canada. I refer to the Northern Transportation Company, Eldorado and Panarctic. The only other major corporation that will become involved in the early stages of the CDC is the Polymer Corporation. Perhaps it is not quite appropriate to describe this corporation as exclusively concerned with the processing and manufacturing of synthetic rubber, because it has now diversified its operations and is reaching out to many other enterprises both inside and outside Canada.

I think it is significant that there is an implicit recognition on the part of government of the necessity for having Canadians more closely involved in developing our resource-based industries in as much as it has based the CDC on these three northern enterprises. Unfortunately, however, there is nothing in the bill to make it possible for Canadians to participate. Indeed, the Canadian participation regulations which were forthcoming in the sixties, before the Liberals returned to office in 1963, were more effective in bringing about real involvement in resource development at the grass roots level than the present proposals in this legislation. These regulations recognized that exploration is of the utmost importance in any potential development of our northern resources, and as a result there was no restriction at the exploration level. In fact, foreign sources of capital were encouraged. Exploration is a rugged task and a highly risky financial operation, and companies were encouraged to explore wherever interest could be found.

However, after discovery of resources it did become necessary under the Canadian participation regulations for these companies immediately to Canadianize their operations, primarily by making at least 51 per cent of their shares available on Canadian stock exchanges. This is a more realistic approach to the basic necessity for