

to every family. It is the three-meals-per-day-formula, the expense-income, income-expense and profit formula. If a family has no income, it cannot have any expenses or profits. The government is forced to ear-mark 25 per cent of the budget for welfare. And the provinces do the same.

Such a decline cannot be entertained. Welfare benefits are not sufficient to get people out of poverty. They will not enable us to turn out men, to make a strong country, to make of Canadians happy people, people who want to live and have a right to live. We turn out people who are discouraged, rebellious. Such is the way the system operates now. There are causes to such unrest. As long as we do not try to find them, we will witness dreadful catastrophes. There have been some already. It will be worse than in the past if we do not address ourselves to those causes.

The essential duty of a government consists in looking after the citizens, enabling them to live decently and not merely establishing institutions to compete with them and exploit them, by obliging them to depend on welfare benefits for their living. That is not the way for us to solve the problem.

On this matter, I would still have many things to say. I have here an article which was published in *La Presse*, on Saturday, January 23, 1971 and which reads as follows:

At the economic level, the true power of a nation is not reflected by its potential production but by its consumption capacity: under such a criterion, the United States would include ten billion Chinese, for the gross national product, despite its name, amounts to the consumption expenses of the nation.

Canada showed the truth of this assumption in 1970: anti-inflationary measures introduced by Ottawa led to a reduction of domestic consumption, without altering the production potential. The country grew poorer and unemployment followed.

A reduction of the money supply, as decided by Ottawa, was an all-embracing measure that struck at the consumption centres: Montreal is the country's metropolis.

With a higher population enjoying a higher per capita buying power than Quebec, Ontario recorded in 1970, contrarily to what might be expected, a higher percentage of unemployment increase than our own province: between November 1969 and November 1970 the number of unemployed increased from 143,000 to 168,000 in Quebec and from 82,000 to 126,000 in Ontario.

Unemployment in Canada has its own particular features and factors which combined together in 1970 led to an unacceptable degree of severity.

The New Democratic Party has introduced an amendment to the effect that the government does not go far enough in its action and that it should become the sole owner of this industry. I find it difficult to support this amendment but we shall not support Bill C-219 either for we believe that the time has not come yet to set up such a corporation at the expense of the Canadian economy.

[English]

Mr. Steven Otto (York East): Mr. Speaker, I have read a great many prospectuses—prospectuses dealing with substantial companies, with companies just in the process of being formed and with companies selling gold bricks

Canada Development Corporation

and moose pasture. Among them were some fantastic presentations. But having read the speech of the Minister of Finance (Mr. Benson) in introducing this bill for second reading, I must compliment him upon one of the finest presentations I have yet come across, a presentation which even the most experienced and sophisticated con artist could hardly have dreamed up.

I am not saying for a moment that it is in any way untrue; but it reads so beautifully, “—backed by substantial sources of Canadian capital and managed by skilled, experienced entrepreneurs, to help make possible fuller Canadian participation in the growth and development of Canada.” If I were a buyer of shares I would rush out quickly to the nearest stock exchange to invest in this new corporation. But, Mr. Speaker, there is a long way to go between a speech and a successful performance.

I shall relate an incident in connection with the Canada Development Corporation which might exemplify what I am talking about. Some time in 1964, when the idea of such a corporation was being touted and considered in this House, I, being a fussy and particular young man decided I would make a search in the corporations branch here in Ottawa. Lo and behold, I found a company had been incorporated in 1962 under the name “Canadian Development Corporation”. It was a public company, privately owned, and it had not begun any work. I did not want to buy any shares myself, but some of my friends were negotiating for the purchase of shares in the Canadian Development Corporation. Had they been less scrupulous than they are, they might have been in the market today selling shares in the Canadian Development Corporation just as this bill is going through the House. However, being good Canadians they agreed to my suggestion that should turn the company over to the hon. gentleman who was then Minister of National Revenue. He was surprised to learn of the existence of such a company. Fortunately, he was able to ensure that the owners gave up control of the company, and thus there is no longer the possibility of some sort of gain.

I have read carefully the speech which the minister made yesterday, and I have listened to debates on this subject for about six years. It seems to me that although the purposes are very fine, this enterprise will not necessarily be successful. If it is to be successful, a great deal of thought will be necessary and particular attention must be given to the quality of the administration. The bill itself appears to be a good one; it covers about every point. The potential is great. However, we should review the purposes as defined by the minister—to help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector of the economy. Why should it be necessary to develop and maintain Canadian control?

I want to make a few observations on this point for the sake of hon. members opposite who are so infatuated with the idea of Canadian control. The basis of free enterprise is making a profit. From 20 years of experience I can say that a company exists primarily to make a