

Corporation Quebec did it in this way in the hope it would work out. I believe most people who have studied the GIC now say it will not work.

• (12:30 p.m.)

Why, then, does the Government of Canada pick as its model the financing program of the General Investment Corporation rather than the model which is common in almost every country in the world which has had some experience of investment corporations? Why did they pick a failure? It is because they want the CDC to fail. They have a death wish. This applies to every government corporation they bring into being; it is their ideological hang-up. They hate public corporations, public enterprise, so much that even when they themselves set up a public corporation as their own child, they want to say: You forced us to do this, but we told you it would never work; that is socialism; public enterprise can never work. Mr. Speaker, they make sure it never works. They deliberately destroy the very things they set up and no better formula for the destruction of the CDC could be devised than the one which appears in this bill, an attempt to combine the public interest with the needs of the stock market.

It might be argued that Canadian investors are citizens and that they are entitled to be considered, that there are not enough stocks in Canada in which they can invest. But the solution to that is simple. Walter Gordon proposed it a long time ago. If there is a shortage of stocks in Canada and if Canadians cannot invest, then stocks could be made available by changing the law, by insisting that branch plants of United States corporations make a proportion of their shares available to Canadian investors. If the object is to satisfy the needs of Canadian investors, it could be achieved. This was done in connection with the Mercantile Bank. When a government is forced to act, it can act quickly. There is no need for a CDC to ensure that the stock markets of Toronto and Montreal are kept happy. We need a corporation to do what it is supposed to do, that is, develop the country, and the CDC cannot do that in the form in which it is proposed.

In Manitoba they have not made the same mistake. We in this party are proud of Manitoba, justifiably so, I think. This is one of the first development corporations whose administrations said they did not propose to give money away though they are prepared to assist. I think they have been very helpful to industry. I think they have gone out of their way to reassure industry that there is a place for it in Manitoba, that there is a welcome in Manitoba from the government of that province. But they have participated in an intelligent way. They have taken some equity in corporations because if the people of the province are to be asked to bring in finance and take risks, then surely they are entitled to some reward if those risks turn out well.

In Australia, which is experiencing the same problems as we have here in Canada in connection with foreign ownership, the Australia Development Corporation does not provide for public participation. The Industrial Cor-

#### *Canada Development Corporation*

poration of South Africa is also set up in this way. One of the corporations which was brought to our attention was the Industrial Reorganization Corporation of Great Britain. The first thing which becomes apparent is that it is wholly owned by the people of Britain. They do not have shareholders from the public, and on the whole its work has been very successful. It has been one of the most successful corporations that the British government has established. It has encouraged mergers and industrial reorganization and although it has been subject to criticism, the one thing which has been said about it is that it has shown flexibility and initiative and encouraged industry to tackle some of the deep-seated problems of the country. I do not think anyone will be able to say that about the Canadian Development Corporation as it appears in this bill.

If all they wanted to see was an open-end or closed-end investment fund, surely we could have encouraged that in the private sector. We did not need a government corporation to do that because really what the government has created is little more than the sort of thing we already have in companies like Power Corporation. Power Corporation and companies like that are doing a reasonably good job in their field. There is no need for the CDC to get involved in that. But Power Corporation cannot do a good job in many other areas, and it is in these areas we needed the CDC. We needed a CDC which would be responsive to government policy, which would be flexible, which would not be hamstrung and which could act on behalf of the Canadian people rather than on behalf of a limited number of shareholders.

This government does not learn from anything. A few years ago they decided to set up the TELSAT corporation. Again, the objective was worthwhile. The hon. member for Davenport (Mr. Kierans) was then the minister responsible and his nationalism, his pride and his vision of the future came through very strongly when he appeared before the committee. He argued in favour of setting up a Canadian satellite system but one could see how uncomfortable he was when he proposed that this system be established not as a Crown corporation, not as something wholly-owned by the Canadian people, but under a troika arrangement—one-third of the shares would go to the common carriers and another one-third would go to the public. The public shares have never been issued, and they have never been issued because the public would not buy them. In order to induce the public to buy them it would be necessary to destroy the whole TELSAT concept; the corporation's profits would have to be guaranteed. The Government started off in a vague way, in a bad way, and they realized they could not go to the public for the financing of the corporation.

In a way, I am not too worried about what this legislation contains, though I am worried enough to argue about it, to try and get the government to change its mind. I know one thing. The kind of corporation which is being set up today does not have any great possibilities for success. It will not accomplish the purpose that many of us, including some of the supporters of this bill, are hoping it will accomplish and the bill will have to be