

Economic Development

revolutionary concept, but the federal government does not do it.

In spite of gutsy statements in the Speech from the Throne and welcomed ones by the Minister of Industry, Trade and Commerce (Mr. Gray) regarding performance reviews by FIRA, etc., that concept of value for payment is still foreign to our entire corporate taxation system. For us not to deal with the obvious imbecility, inequity and impotence of our current system is the height of public irresponsibility. The refusal of this government and the previous one to demand accountability and performance for taxpayers' dollars leads us to believe that in spite of their claims that they are non-ideological—I believe the President of the Treasury Board (Mr. Johnston) was on television this morning to that effect—I think they are really Tories at heart. In so far as guiding or directing our economy toward public goals is concerned, their slogan seems to be: "Praise the Lord and pass no ammunition at all". That may be all right in some circles, but certainly it does not do much when one is trying to deal with the very real problems facing Canadians.

Perhaps I am being too harsh in my judgment. The Liberal party, in its alternate on-years or on-periods, at least adopts the slogans and embarks ever so hesitantly on some positive courses of economic action. For instance, unlike the Tories at least they understood, even though under pressure, that a publicly-owned and publicly-directed instrument such as Petro-Canada was necessary if we were to achieve a national energy policy accountable to the needs of Canada.

Through its plans to dismantle, privatize, BCRIC or what have you Petro-Canada, the Tories would have continued to place our future completely in the hands of the oil multinationals. They would have continued to play poker with all their cards face up, with our future and our livelihoods at stake. Of course, the problem is that the big boys do not play the game that way, and traditionally Canadians have always lost the game as a result.

Now the Liberals have Petro-Canada—we all have Petro-Canada—but the government does not have the will to let it do the job. So now we play poker with some cards face up and some cards down, and we still lose. Is it any wonder? The Liberals say that they do not have the money and that the debt is too big. Some hon. members opposite made this point just the other day, that there are problems with the federal government's account, the deficit has grown already to \$14 billion and we do not have the bucks to get on with the job. They still refuse to recognize the very vital difference between public spending and public investment. If a government is to enter the marketplace on behalf of the public interest, then it must be prepared to play the game the way it is played by the big boys or our shareholders, the people of Canada, will lose.

Let me refer for a few moments to what happened in this regard in the forest industry in the province of British Columbia under a New Democratic Party government between the summer of 1972 and the end of 1975. The period I want to refer to really starts late in 1973 up until December of 1975. With a direct public investment of only some \$20 million

in the British Columbia forest industry, within only about two years the government of British Columbia gained for the people of that province several hundreds of millions of dollars in assets and several hundreds of millions of dollars in profits. It gained direct influence and invaluable experience in the most important and vital industry of British Columbia, all for about 20 million bucks. We easily sneeze that much away every day around here.

Very simply, once there is guaranteed access to and the use of a major resource at low cost, the corporation borrows on the strength of that asset. In British Columbia it used to be one cent per acre for what was called a tree farm licence. The corporation borrowed on the strength of that asset which it received from the public. It was a public asset, only one cent per acre then. Using the capital it borrowed on our assets and using the expertise the corporation hired, it went on to develop and expand its base thereby gaining equity and revenue. It served the public need and the public interest of that province. The government hardly needs to dip into its own resources at all.

The giants of the private sector do not. They have not done so for some years. One would not know it when one hears some Liberals and most Tories. I am sure it was true in the dark recesses of the past that, once upon a time when a company required capital, whether it was a public company or private company, but especially in the private sector, it went to the market, issued shares and gained its revenue in the somewhat democratic process of an open marketplace in order to get its investment capital.

● (1610)

Perhaps that is the way the game used to be played, but for years now, in the major segments of the corporate sector, the greatest amount of investment capital for expansion is generated from revenue. With the growth of giant corporations, particularly monopoly enterprises, and the kinds of procedures which are adopted in that area of our economy, the private sector has had for years what amounts to taxation without representation. Those revenues in no way perform the same role as internal corporate revenues played once upon a time many years ago.

This example of what happened in British Columbia is exactly what the corporate sector has done for the benefit of its shareholders, who are often foreign shareholders, for decades. We believe it is time the Government of Canada became as loyal in serving the interests of its shareholders, the people of Canada, as these other managers have always been. It is about time we stopped playing poker with all our cards or some of our cards face up. It is time we stopped going into the ring with one arm tied behind our back. Those are the rules of the economic game, and there is no reason on God's green earth why we should handicap ourselves, as representatives of the public interest, in dealing with the major segments and interests which currently dominate our economy.

It is not only in the area of taxation where we have had problems. It is not only the unwillingness of the government to