

*Canada Development Corporation*

I think we are failing when we do not ask industry to do something about our high unemployment rate. If we believe in planning, let's do some planning. As I stated at the beginning of my remarks, it is not necessary to nationalize everything; however, it is necessary to plan. It is certainly necessary to plan if we are going to ask Canadian taxpayers to underwrite any of these segments of industry. They have a right to know why. If it is a gamble, they have a right to know. If we do not know what is going to happen, we must be honest enough to tell them. If they are to be asked to invest \$1,000 a year in the Canada Development Corporation, they must have assurance from the Minister of Finance (Mr. Benson) that he will not take it all back through some fancy capital gains tax. If that is the case, they may as well spend their money in Europe or the Caribbean.

I would like to invest in Canada's future along the lines of the CDC. The public leaders should show the Canadian people that they are going to be masters in their own house. I do not think it is necessary to expropriate anyone who has invested an honest dollar in this country. We need know-how. We must build up our stocks, work as a nation and be thrifty as we were in the past. I have drawn up a timetable. I do not know how accurate it is, but it can be a target. In round figures, Americans own 75 per cent of all Canadian industry at present. If we work hard, by 1976 this figure could be 70-30. By 1981 it could be 65-35. I am not going to read the whole list. For every five years we could reverse the trend by 5 per cent. According to my figures, by the year 1991 the ratio would be 50-50 and by the year 2000, 60-40. This cannot be done overnight. We cannot expropriate our blood cousins who had much more faith, initiative and more sense to gamble than ourselves. However, we can do it if we want.

At the present time we have not developed more than 10 per cent of our potential in Canada. In the next century the world could be ours, not in an imperialistic sense but by the fact we would be masters of our own house. If we are able to develop the wealth of Canada properly and methodically and participate in that development ourselves, in 25 years we could be so wealthy that we would have to give away a good deal of that wealth for our own good.

• (5:50 p.m.)

**Mr. Mark MacGuigan (Windsor-Walkerville):** Mr. Speaker, a few minutes ago the hon. member for Timiskaming (Mr. Peters) told us that he and his party were not able to support this legislation, and from this premise he reached the conclusion that the bill was inadequate. I would remind him that from a premise of that kind there are at least two possible conclusions. The very fact that Bill C-219 is being belaboured from the right by speakers such as the hon. member for Pembina (Mr. Bigg) and from the left by speakers of the New Democratic Party suggests that the government has steered a satisfactory middle course between excessive state control and the absence of adequate direction.

[Mr. Bigg.]

The hon. member for Timiskaming, and this is a good example of his party's analysis of the bill, said the measure makes no provision to assist small companies. He probably had in mind clause 6(2)(b) which provides that the corporation shall invest in the shares of corporations in which the real value of the shareholders' equity after investment by the company will be, or is likely to become, \$1 million or more.

Mr. Speaker, the purpose of this power is not to assist small companies or, indeed, to assist large companies. It is not to assist companies, as such, at all. The purpose of the CDC, as stated at the beginning of the bill, is quite clear. It is to establish a corporation which will help develop and maintain strong Canadian-controlled and managed corporations in the private sector of the economy. That is the first purpose. The second is to give Canadians greater opportunities to invest and participate in the economic development of Canada. In investing in a company, the CDC will be doing so for the purpose of obtaining a much larger economic benefit. This, it seems, is a purpose which has not been understood by some hon. members opposite.

In fact, hon. members opposite, especially those in the New Democratic Party, have been ambivalent in their expressions of view on the question of profit. Sometimes they take the view that the whole scheme is wrong because it involves the profit motive. At other times they acknowledge, as did the hon. member for Waterloo (Mr. Saltsman), that the profit motive is not bad in itself and that there must be some profit orientation here.

It would seem the best way to look at this is to ask whether the profit criterion is to be taken as short-term or long-term profit. If this corporation were to be interested in grasping at every short-term benefit which came along, it would obviously not be fulfilling the larger purpose which the government and, I hope, Parliament will entrust to it. But if the corporation takes a long-range view of profitability, it will not only achieve the protection of the money invested in it but it will achieve the much broader purpose of making a major contribution to the development of the economy within the hands of Canadians.

I should like to refer briefly to the comments made yesterday by the hon. member for Selkirk (Mr. Rowland). He said the Minister of Finance (Mr. Benson) was presenting us with a bill which would create a private corporation completely beyond the influence of the government and motivated solely by the desire to maximize profits. It is very easy to win a battle if you set up straw men to attack. The fact is, the purpose of the bill is not that at all, nor is that the kind of entity which the legislation establishes.

Initially the government would be the sole shareholder and would obviously possess as much control as it wished to exercise over the affairs of the corporation through its power to appoint directors. Even if it were reduced subsequently to its 10 per cent holding, as envisioned in the legislation as a possibility, it would still be in a position to vote its full shares in the corporation rather