

*Canada Development Corporation*

was more or less an informal discussion period among a group of investment bankers and members of the Toronto Stock Exchange. I was interested in hearing some of the things said during that presentation. They asked, how is it that so much Canadian money being invested through that stock exchange is being invested in foreign securities? How come so many of our large financial institutions, insurance companies, trust companies, etc., are investing money on behalf of their clients outside of this country. I really think these people are doing the best they can for their customers and clients. They must therefore consider some of those things I mentioned at the beginning of my remarks. They must feel that those types of investments are safer. They must feel that investments like that, investments made in other jurisdictions, will be more profitable, considering the socialist tax measures proposed in the white paper. I think these factors must weigh heavily with them.

**Mr. Comeau:** The hon. member is quite right.

**Mr. McCutcheon:** Having said that, may I mention something which to me as a Canadian is more disturbing than the platitudinous, patriotic talk we hear all over Canada about buying Canada back.

**An hon. Member:** It is platitudinous talk.

**Mr. McCutcheon:** The *Wall Street Journal* points out clearly that one of the biggest industrialists on the North American continent who controls a very large corporation owns in this name only 7 percent of the stock of that corporation. His family owns the balance, which is in their names. Their total holdings amount to 20 per cent. But nobody in this chamber can tell me that Henry Ford does not control the Ford Motor Company. So when I hear platitudinous talk about Canadians owning 51 per cent of the stock of companies, and about ownership, I suggest that the people concerned ought to take a good, hard look at the facts of life and see how corporations are manipulated and controlled.

**Some hon. Members:** Hear, hear!

**Mr. Dinsdale:** That's the stuff. Tell it to the people across the way.

**Mr. McCutcheon:** Having said that, I think I should tell this government about one more danger sign which to me has much more sinister implications and is much more dangerous than almost anything else. We are a developing country; our economy is not stagnant, as is the economy of developed nations like Britain. We are still developing. I am not as much concerned about foreign investment in this country as I am about something else happening in the world which, in my humble opinion, is very dangerous indeed. I refer to the amount of information which is being stored in various data computing centres outside this country. I am not disturbed about investment per se; I am disturbed about all the information on Canadians and Canadian businesses that is being stored with corporations and companies engaged in the data processing business. This monster is far more dangerous than a few American dollars invested in our industry.

[Mr. McCutcheon.]

**Mr. Dinsdale:** They have more information than Information Canada.

**Mr. McCutcheon:** Exactly.

**Mr. Thomas (Moncton):** That is not much.

**Mr. McCutcheon:** This is an area to which the government should forthwith direct its attention.

• (4:30 p.m.)

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, we in this party have looked forward to a Canada Development Corporation for many years. We have suggested a development corporation in which the government could show an interest. We now find that the Liberal government, as it has often done in the past, have bastardized the words "Canada Development Corporation" and have introduced a bill which we cannot support. We should not be too surprised, because this has happened on other occasions. It has often been said that we in this party are Liberals in a hurry. If that is true, we can go a lot further on that trail before the Liberals catch up. That is certainly true in this case.

The minister has stated that no assistance will be provided to any company with less than \$1 million capitalization. If the CDC is not going to assist small companies, the assistance will be no more than that provided in the past to companies which have no need for this type of legislation. If we are going to make tax concessions to a large corporation, and I consider a company with \$1 million capitalization to be fairly large, we will not be doing anything for the type of industry that will be involved in a large portion of this nation in the next 20 years.

Many pious proposals have been advanced by this government to solve the problems of the underdeveloped and disadvantaged areas of this country. In most cases they were of the same type as the proposals outlined by the minister for the Canada Development Corporation. There has been an erosion of the Canadian economy because of the government's tax structure, the fact that we do not have a capital gains tax and that it is much easier for a branch plant of an American company to establish and operate effectively within an international market than a Canadian company. That erosion has extended to the point where it affects more than 90 per cent of the oil industry. Many hon. members say what a wonderful organization Home Oil is because it is a Canadian company. At the same time, the Canadian public will not invest \$10 million in this company which has assets of over \$200 million. I am aware of the liabilities of this company as well. The president of the company is probably the greatest liability.

The minister has stated that the corporation will not be able to participate in the type of rescue operation that is necessary for many of our industries. This bill will assist the large companies which do not need help, in the same way that they receive assistance in the way of area development loans and assistance because of regional disparity. In most cases it will help American branch