manufacture parts, for mechanics, for just about everyone. When a castle is built, carpenters are given jobs, building materials are sold, jobs are created. New Democrats do not speak of jobs, but of profits. Expenses do not count. Mr. Speaker, we believe that profits are expenses which are the backbone of the Canadian economy, which stimulate the circulation of goods and the manufacture of materials, and move products towards the consumers, whether they are wage earners or small businessmen, it does not matter much.

Mr. Speaker, far from me the desire to create or protect trusts, combines or monopolies. In this connection we say: There are some laws to control monopolies, combines and large multinational corporations trying to set prices. There is only one thing to do: Fine them. They laugh at us, because price increases enable them to double, triple and even quadruple their income to cover the payment of the fines. We merely have to jail the officials. I am sure that there is not one who wishes to go to jail; before they do so we will soon see the end of the combine.

Mr. Speaker, those are the few comments which I wanted to make on Bill C-132. We are in favour of investments for private enterprise as well as for public enterprise. We advocate the use of the Bank of Canada, so that we may all say together: We are masters at home, masters in our country, Canada, and masters of our economy.

● (1540)

[*English*]

**Mr. Dan McKenzie (Winnipeg South Centre):** Mr. Speaker, in rising to speak on third reading of the bill, I should like to say that the crux of the problem confronting this House has been summed up in the editorial of the Toronto *Star* for November 14, 1973 entitled "Tories waver on foreign control". In this editorial, the Toronto *Star* assumes that whatever is good for Toronto is good for Canada and what is bad for Toronto is bad for Canada, no matter what the results are in areas remote from Toronto. The definition of Toronto should be expanded to include Montreal and Ottawa. It goes without saying that almost all foreign investment in parts remote from this triangle would be considered of no significant benefit to Canada. The effect of this bill would be to allow for the complete domination of the peripheral portions of the country by this centrally controlled Ottawa bureaucracy.

The failure of the government to accept these amendments, and to allow greater participation in the decision making process of this review board by the individual provinces, will really arouse suspicion in the west and in the Maritimes that the central government will not allow any investment that interferes with its predominance. Why is this problem of a serious nature? I suggest that it is serious because, along with the review process by the Ottawa bureaucrats—most of whom will have no knowledge of the rest of the country—is the fact that our investments pools which will have to operate if foreign buyers are to be prevented from buying Canadian investments, unless we move to shut them out altogether, are controlled by institutions that dominate the action. This is a situation which should be of considerable concern to governments.

[Mr. Caouette (Témiscamingue).]

A serious problem facing the stock market is the fact that the small, individual investor is absent. Small investors were badly burned in 1969-1971, and they show no signs of returning. I suggest this fact is not taken into account in the bill. When institutions dominate the investment market, unlike the small and individual investor, they tend to put their faith in major corporations such as the elite 30 detailed in *Fortune*. The small and individual enterprising companies rely to a fairly heavy extent on the investment of the little guy. Now, unless these small investors can be wooed back into the marketplace, some disturbing trends will occur. The institutions, with their massive pool of funds, cause degrees of instability when they make major shifts in investments, while the individual investor tends to be a stabilizing factor as well as an excellent source of capital for smaller companies seeking much needed financing to carry out expansion programs that would be of general benefit to the community. Failure to create a climate that will lure back the individual investor will make a fundamental change in North America's investment patterns.

What has happened to the investment pool? It seems likely that the incentive for building the market has been greatly weakened through a combination of world economic trends resulting in recession and inflation, reducing the value of the player's return on investment, while at the same time capital gains taxes further cut into profits if any materialize. The little guy has come to the conclusion that, under the circumstances, he is better off salting his money away or, in the light of today's high interest rates, putting it in the safekeeping of his friendly banker or trust company. Why take the risk of being clobbered in a market which has been full of uncertainties in the last few years for gains that are becoming less attractive in comparison with what a dear old savings bond or bank can offer?

I think this trend is very pertinent to this bill because who will lend money to this $1 million feed lot operation or this small factory with 10 employees if it is not the small investor? But he cannot lend his money when he has it invested in government bonds or in the dear old bank vault. The big financial institutions cannot be bothered to lend money to a high risk blacksmith, especially one who is pounding out agricultural implements. Brokers refute this argument and maintain that if a well planned investment program is put on the market it is still attractive, but few people seem to agree. They are keeping their money in large pools instead of having it eaten up by inflation.

Further comments on this move to remove investment moneys out of the stock market where it would help to finance many of the companies that would be viable concerns in their communities is detailed in an article in the Ottawa *Journal* of September 4, written by Mr. Bruce Whitestone. He points out that small investors are increasingly reluctant to put money in common stock. He has suggested that inflation, and its persistence in a peacetime area, has been the main factor at work here. For most of the post-war period, the public was told that investing in common stock was a good hedge against inflation, but generally the stock market has proven to be a poor hedge for at least a decade. The public has been shifting its financial assets into bonds, bank accounts and real estate. An interest rate of 8 per cent took care of an inflation