

*Canada Development Corporation*

are on the unemployment rolls? Why not do it now? Don't waste time blaming people because it has not been done in the past. What are we going to do from here on in? What kind of co-operation can we expect from all three levels of government? What kind of co-operation can we expect from this chamber? Let us not waste time throwing stones; instead, let us chip in a bit and build something.

We need full employment in this country. We shall not get it by talking about bigger and better welfare payments. This is just like a snake chewing on its tail; after a while there is no more snake left. To have full employment we must have busy factories, and the only way to have busy factories is to go out and get the markets. We need a great deal more than know-how about producing, than how to get the products to market cheaply. We need more than a transportation policy. We must have a sale at the other end of the line.

There is certainly no use asking the people of Canada to invest in any kind of white elephant. If I set aside some of my hard earned wages and stop wasting my time travelling around the world on holidays, or going south of the line on holidays instead of staying in Canada, if I invest in the future development of Canada I want to know whether I will be protected from unnecessary taxation. If I am encouraged to make what I consider to be an honourable profit in developing the resources of Canada, I should at least expect to be treated the same as people who benefit from tax concessions in this country. I think that the taxpayers of Canada should have an opportunity to write off their losses in the development of the oil industry. An American investing in drilling oil in Alberta can write off any losses he has against his income tax. Of course he can afford to develop our oil when he may be 35 per cent or 40 per cent better off than a Canadian as far as income tax is concerned.

I believe there are a great many Canadians who want to gamble on the future of their country, but you will not get many of them to respond until they have at least equality in the taxation field. I am afraid we have created uneasiness in Canada by suggesting that profit is necessarily bad. I do not agree with that. I believe that thrift has to be rewarded. I believe that most people in Canada want to work. I think most people in Canada will work, but when they are asked to invest they should have as much guarantee as we can give them.

I am not asking for Utopia or a slice of the moon. I am asking the government to guarantee that in the foreseeable future it will not take away the benefits of their thrift and the benefits of their investment in our country. The intricacies of the financial structure of this country have always eluded me somewhat. I do not fully understand the implications of the floating dollar, but I do know that, when we are exporting from our embryonic industries things such as chemicals made in our petrochemical plants in Edmonton it makes it very difficult to keep the plant going if you are afraid that after you have produced \$1 million worth of formaldehyde you will have to sell it for 7 per cent less within the next year. This happens.

[Mr. Bigg.]

• (5:30 p.m.)

The floating dollar has seriously hit our petrochemical industry and our pulp industry. You need only look at the stock market to see this. I do not suggest for a minute that the floating dollar is the only factor; nevertheless, it is a contributing factor. When we do the research which I think will be necessary if the Canada Development Corporation is to work, in so far as it will work, we shall need to take cognizance of the broad picture and determine how stable is the money market and what kind of selling market exists for our commodities. The market, of course, is tied very closely to our floating dollar. I think we are gambling. I hope that our financial experts know what they are doing when they take the drastic step of either pegging or unpegging the dollar.

The chemical industry in Canada is worried about this, the pulp industry is worried and all Canada is worried. Our bacon has been saved in other fields because at present we have in asbestos and nickel almost a world monopoly. Our trade in those commodities has in part accounted for our enormous favourable balance of trade. Nevertheless, the small Canadian companies are still going out of business by the hundred.

I hope that the Canada Development Corporation will not only be interested in keeping the large corporations going. I believe by and large that the large, multinational corporations need very little help from us. Some of them are bigger than countries and stronger than governments and need very little help. The Canadian entrepreneur, the man whom the Department of Regional Economic Expansion is encouraging, must be helped to begin new enterprises and to create new jobs. Of course we must decide whether the new companies are valid enterprises. I do not suggest that we set up a dictatorship; nevertheless, if we are to put the Canadian taxpayers' money behind a venture, we ought first to do our homework. We ought not to encourage people to set up box factories when boxes are not needed, or shoe factories that make only for the left foot shoes. It is passing strange that those people who talk most about planning have been deplorably lacking in the ability to make those plans work.

Private enterprise has created 99 per cent of the affluence we now enjoy. Since North America has led the way to affluence, I do not see that we need go to others for leadership. I say, by all means learn how the Japanese did what they have done in the Pacific. Learn what West Germany did in Europe and learn what the Americans did south of our border. Nevertheless, we must develop our own Canadian economy. The problems of those countries are not our problems. America has not our transportation problems. It does not lack a large home market. That economy is self-sustaining. We in Canada must develop the kind of economy which suits us. We must have a well co-ordinated transportation policy. We must try to locate our industries where they will be viable.

I think we could take a page out of the Japanese book. The Japanese government can tell a factory that it will not be in a competitive position. This is where our own government could step in; it could see that research is