

I would emphasize that I do not question the motives of the non-government investors; nor do I suggest any wrongdoing on their part. Every westerner knows that western businesses have often been at the mercy of the big eastern financial interest. We westerners welcome new pools of capital, to give the eastern trusts and banking fraternity some competition.

The stated objectives of Ventures West are to take equity positions in western Canada and the north and to encourage Canadian and foreign investors to participate in joint ventures. But, I question the propriety of the government's entering into such a venture, especially at the very time it had Bill C-132 on the drawing board. The new ventures capital company will concentrate on investing in natural resource companies and companies that have good management and good growth prospects. These are admirable aims and the private investors are to be commended for their initiatives. But the government should be condemned for entering into a business which will use the taxpayers' money to undermine competitive sources of venture capital, underwriting facilities, etc. The targets of Ventures West are the companies that can survive and prosper in the existing conditions without government interference. And I protest on behalf of all taxpayers this further act of "big brotherism", by which the government takes away the fruits of our labour so that it can invest our money as it pleases, even when its investments conflict with its own policies.

As I said in this House only a few days ago, the government cannot create, cannot build of itself, but can seize only what others have created, to do what it wants to do. So, Mr. Speaker, here we have the spectacle of the government proposing a bill to restrict foreign investment in Canada, when it has just embarked on a business venture with foreigners and placed itself in the position of having to answer the following questions: First, was proper value received for the investment of taxpayers' money? Second, did all investors pay the same price for their shares? Third, why can't the ordinary investor benefit from the apparently attractive terms offered, and why does the government favour only the wealthy, who can afford to put \$100,000 into a single investment? Fourth, why has the government invested taxpayers' money in a private company which is not subject to public scrutiny? Fifth, why has the government seen fit to use taxpayers' money to undermine competitive brokers, investors and underwriters? Sixth, why has the government allowed CDC to vary from its chartered course and use Canadian tax dollars to invest in the very companies that do not need government intervention? And perhaps the paramount question is, why is the government interfering with people's personal freedom to work, save, and invest as they see fit—as the people see fit?

I say again that it is folly for us to think that government can solve our problems for us, when the only resources at government disposal are our resources. Bill C-132 and the contradictory activities of CDC are examples of the government's taking the people's money and spending it as politicians and bureaucrats see fit. These are steps in the wrong direction, steps away from a truly free and prosperous society.

### *Foreign Investment Review*

This government says that it is concerned about the high proportion of foreign ownership in Canadian industry yet this government brought in a capital gains tax! I cannot think of a single instance in Canadian history in which the government's actions were more inconsistent with its words. Even the actions of CDC, which I have been talking about, pale in comparison. Either the government is terribly ignorant of economics or the government is terribly dishonest. If it thinks that it can increase the proportion of Canadian ownership of Canadian industry by levying a capital gains tax, which penalizes Canadians for risking their savings in Canadian equities, then it is terribly ignorant of economics.

• (1730)

The alternative is that the government is aware that the capital gains tax seriously impairs Canadian investment, but that the government's tax policy is made by socialist theoreticians, who levy taxes in accordance with socialist ideology, not as a practical means of raising revenue. Of all the taxes presently levied on Canadians, none is more injurious than the capital gains tax. It discourages Canadians from investing. By forcing investors to make investments on the basis of tax considerations rather than considerations of efficiency, it wastefully distorts what Canadian investment there is. It reduces the amount and efficiency of capital goods with which Canadian labourers work, thereby reducing the productivity of labour and labourers' real wages. It imposes a nightmare of complexity on Canadian taxpayers. Surely the value of the time wasted by Canadian taxpayers and their lawyers and accountants, as well as by the bureaucrats in the income tax department, will exceed the revenue brought in by this tax.

If this government were really serious about increasing employment in Canada and encouraging Canadian ownership it would get rid of its socialist theoreticians and their capital gains tax. Then it would ask practical men to help find practical, not ideological, solutions to Canadian economic problems—problems which are substantially the creation of this government. But, Mr. Speaker, we understand this government well enough to know that Canadians cannot realistically expect such genuine reform from the present administration. That is why the present administration has got to go, to make way for a Conservative government to straighten out the mess that the present government has created.

**Mr. P. B. Rynard (Simcoe North):** Mr. Speaker, I rise to make a few comments on the investment review bill. I have listened to some very fine speeches in the House on this subject. I have listened to the economic surveys which have been presented to us by many hon. members, and the more I listen the more I become confused.

With respect to the foreign review board which is to be set up, I wonder, in particular, what it will cost the Canadian taxpayer and how effective its actions will be. I am prompted to ask this question because of what other boards set up in this country have done, or left undone. I think, particularly, of the anti-dumping board intended to protect Canadian industry and the jobs of labour. This tribunal is, as I understand it, processing cases at the rate of five or six a year. I have looked up the cost of this