

Canada Development Corporation

● (9:40 p.m.)

That this bill be not now read the second time but that this House affirm that there ought to be established a Canada Development Corporation which should be a Crown corporation directly responsible to Parliament through a ministry, so that this said corporation might serve the Canadian people by increasing Canada's independence and by planning and developing regional and economic industrialization.

We believe the object of the CDC should be to mobilize funds and channel them into investments serving the interest of Canada as a whole, the money to be raised by selling bonds on the market and requiring all financial institutions to allocate part of the saving collected from the Canadian people to national development. When the Minister of Finance took exception to this position of ours, he forgot that the government already takes a similar position in the case of the chartered banks. Fifteen per cent of their deposits are already under the direction of government whether by way of farm improvement loans, government funds or student loans. In these circumstances, should not all financial institutions in this country be required to serve in some way the national purposes and priorities of the people of Canada? We believe that all the moneys now being paid out to industry under the various industrial incentives, defence, research and development programs should be allocated as capital to the CDC.

The government seems to show no hesitation in applying a little Socialism to private industry. Giving out money to industry does not bother the government; that is not Socialism! But when we talk about taking these funds and channelling them through the CDC it becomes Socialism because the people of Canada might benefit more directly. There are occasions when it makes sense to give money to industry either in the form of loans or even in the form of forgivable loans.

The difficulty at this moment is that we have no choice as to the course we should take or, at least, we have not been allowed to make any choice. We cannot decide whether it would be better to establish a Crown corporation or not. All we can do is give away money and hope that by such a program we can exercise some influence on the pattern of industrialization. In my view, this process is much too uncertain and much too unfair to the taxpayers of Canada. Over the last five years more than \$750 million has been given out in this way with, I might add, negligible results. Many of the provinces are moving in the direction we are suggesting the government should move. We are prepared to help industry but we also want something in return for our participation. In other words, we are not prepared to take all the risks without sharing the potential profit. We shall share the risks but we also want to share the profit, if there is one.

We believe the CDC should be used to expand the public sector of the economy where necessary for the growth of the economy, for national planning and for increasing Canada's independence. This will normally be done by the creation of Crown corporations. However, the CDC may also enter into consortium arrangements with private concerns where it has or can acquire effective control.

The use of Crown corporations in Canada is not new. On many occasions we have used Crown corporations in the national interest. If we do not use Crown corporations now, as occasion arises, we should certainly be offered the possibility of setting one up should the private sector not provide the results we require.

The CDC should act always as an instrument of government policy and development policy and be directly responsible to Parliament through a minister. It is too easy for the government to slough off responsibility for the CDC and say, "This concerns private investors. We have nothing to do with it. We have set it up and the corporation is on its own". This is an evasion of government responsibility; it avoids the necessity for planning and explaining what the corporation is doing. We believe the CDC ought to be an instrument of national planning and that it should be responsible to the people of Canada through Parliament; its decisions should be subject to scrutiny by the House.

In our view, the CDC should be involved in regional development policies with provincial bodies and agencies in order to ensure that every part of Canada capable of supporting viable development is extensively involved in the industrial future of this country. We believe the CDC should finance and develop new initiatives in research and scientific and technological development which will increase the ability of Canadian industry to specialize and compete in world markets.

Report after report indicates that we have failed to make full use of the funds allocated to science in this country. The reasons, I suspect, are that first we have not understood what our priorities should be and, second, our efforts have been so diffused as to be ineffective. Establishment of the CDC brings us an opportunity to intensify scientific research in areas of prime importance to the nation. The CDC should be used to assist companies and individuals to fashion economic opportunity out of inventiveness and to ensure that Canada derives the benefit therefrom.

All this would, of course, make the CDC a giant of an organization. Even the government has realized that it must be of substantial size. The CDC we envisage will go beyond that contemplated by the government. We visualize the CDC being used more extensively for the development of national purposes in an era of international, giant corporations. The only way in which we in Canada can counter their intrusion into our economy and compete with them is to form a large one ourselves. Enormous advantages attach to this kind of corporation in a modern society. It carries out its own research, arranges its own financing and its own marketing. One of the most outstanding failures in the Canadian system is the absence of a large marketing organization. These facilities should be at our disposal and they should be used at the direction of the government.

It is best to leave the profit making to the private sector. Let the private sector do those things which are not of national urgency. Let it do some of the more frivolous things and provide the more frivolous goods. In the most important areas of development, the private

[Mr. Saltsman.]