

the world. Who is to say that all of these innovations, all of the action will take place in corporations which have, let us say, \$1 million or more invested in them? I recall that Canadian Co-operative Implements in Winnipeg started with a great deal less money than that. It developed a farm machinery industry which was peculiar to Canada, in fact peculiar to western Canada. It developed machines that were suitable for use in western agriculture. I could name other such firms in Yorkton, Saskatchewan, in Calgary and in Regina.

Recently we spent a lot of money on the Barber Commission investigating what could or should be done to lower farm machinery costs, and as a result lower production costs. One of the recommendations made by the commission was that we should import farm machinery that had been manufactured more cheaply in countries outside Canada, indeed in countries outside the North American continent. In Canada, we have a grain production area which, on occasion, has been labelled the breadbasket of the world. Does it not give one pause to wonder why we have to import machines to do the cultivation and the harvesting of the crops in that area? Ever since the Prairies came into production at the turn of the century, we have been producing food in that area. Does it not tell us something about the lack of capital, the lack of development and of research in that area when today we are told we should import the machinery to produce that food? If the people in charge of this development corporation are to do something about this situation, they must be willing to assist small businesses that are prepared to go ahead and develop farm machinery manufacturing within Canada.

• (2:20 p.m.)

I expect there is some reason for this clause, but surely this government agency must be prepared to take the same risks as are taken by individual businesses. In the development of a new product or new methods, nothing is certain; sometimes you succeed and sometimes you fail, but if we are to develop this kind of corporation we must take the risk of success as well as failure because both attend upon the endeavours of human beings.

We can look beyond the farm machinery question to developments in other parts of the country and, I am sure, find the same need for innovation. New concepts can be carried to completion giving Canadians a larger share in the ownership of the manufacturing industries and in the development of the country. This should surely be the prime objective of a Canadian development corporation, to increase the productivity of Canada and the share of ownership of these companies by Canadians. If it is to be a corporation to gather together what is already here without providing initiative, its success is questionable; we could even ask whether it should be done at all. We do not need to spend time and effort gathering everything we have already developed into one package so that those in charge can say, "Look how much we have done." It is in the area of new projects and new ideas of development that the Canada Develop-

ment Corporation would be able to make an important contribution to the economy.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have my doubts about the suggestion that we in this Parliament should form a Canada Development Corporation. I have doubts for five specific reasons which I shall now state. Since I do not propose to make another intervention in this debate, I hope that if my argument takes me a little past the time allotted my colleagues will be kind enough to remember that I am not really long-winded but would like to state my argument in one piece.

My first reason for being against the concept of the Canada Development Corporation as set forth in the bill before us—I want to make it plain that I am not against another bill that might accomplish the Canadianization of our development—is that conglomerates are not likely to be profitable. We have been told over and over again that profitability is one of the objectives of the Canada Development Corporation. It is not going to prop up ailing industries or take cripples under its wing; it is going to plow ahead with those Crown corporations that have proved successful, not those that have proved over the years that they need money to keep going. I shall advert to this point later.

I think we should consider the successes and failures of conglomerates in our times. When Professor Edward D. Maher of the University of New Brunswick appeared before the Standing Committee on Finance, Trade and Economic Affairs he made reference to an article in the May 9, 1970 issue of *Business Week* which reads in part:

Conglomerate managers are now obliged to produce earnings growth from existing operations, and it has become quite obvious that the shrewdness, imagination and gall that make a man an empire builder do not necessarily make him a skilled manager.

I refer anyone who is interested in this question to the longer exposé in *Business Week*. It simply proves how many disparate things one can gather under the same roof in order to try and run a successful and viable conglomerate, but this may not prosper as much as if the parts were run separately. This leads me to suspect that managerial ability might be found if you can find managers of things in which they have expertise, but that ability is not likely to be found if you suggest that they administer the whole world. My point is that conglomerates are not likely to be as profitable as industries broken down into individual segments.

One of the purposes of this bill is to lump three or four industries under the Canada Development Corporation right from the start. Experience alone should suggest that we in this Parliament exercise great care in voting on this bill. Interesting studies are being carried out by professors and other learned people in universities—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. He is making a very useful contribution to the debate, but it seems to the Chair that he may be going a bit further than he is entitled to under the particular amendments that are before the House. The hon. member knows that we are at the report stage