

Canada Development Corporation

trying to impose upon the corporation a much too narrow type of operation. If the amendments were adopted it would become a sort of public finance operation. This whole series of amendments is designed to make the Canada Development Corporation merely a government investment corporation, with no private interest in it. In other words, the members of the NDP disregard entirely any interest that the public might have as individuals in participating in the corporation. I think there is a role for the private individual in a development corporation, but it should have an entirely different structure from this. We will go into that on some other occasion. For the present, I say that we cannot support the amendments, and we certainly cannot support the bill.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, on rising to speak on this amendment standing in the name of the hon. member for Waterloo (Mr. Saltzman), I would say that he has drawn attention to the dichotomy of this bill, and while I cannot support his amendment I think he has pinpointed what is wrong with the bill. In my opinion, the Canada Development Corporation is destined to be another of the government's great failures. I have observed the results of other endeavours which have been poorly conceived, and I think the Canada Development Corporation bill falls in that category. There are at least three conceptual errors in the proposed structure and mandate of the corporation, any one of which in itself would be sufficient to preclude the realization of its presently envisioned aims.

The corporation's orientation is clearly nationalistic, as set out in clause 6(1)(d) of the bill. The adoption of this amendment would make it even more so. We come, therefore, to the philosophical enigma of what constitutes our national interest. I think we have only to examine the present scene to see the lack of unity amongst Canadians as to what is in the national interest. As a western Canadian, I note particularly that many Canadians in the two central metropolises, Toronto and Montreal, are coming more and more to be exponents of the view that foreign investment in Canada is no longer as essential to our economic well being as formerly, but rather now constitutes a serious threat to our sovereignty. In contrast, we in western Canada, and I am sure the same is true for people in the north, see foreign investment capital as the only hope of developing our great natural resources, and relieving our dependency on eastern banks and financial institutions to provide us with the development capital without which the northern and western regions of our country can never reach economic maturity and diversity.

• (2:10 p.m.)

For my part, Mr. Speaker, I believe that where there is a broad consensus throughout our country that a certain industry or segment of our economy should remain under Canadian control, this consensus can best be served through the formation of government owned organizations of the kind represented by the Polymer Corporation. Moreover, I do not believe that such organizations when formed should seek financial participation from the

public sector as the Canada Development Corporation proposes to do. I think there are a number of excellent reasons for separating private and public ownership. I believe that combinations of these have too many inherent difficulties which inhibit the resolving of disputes involving conflict between the profit motive, which is of necessity such a dominant concern in the private investment sector of our economy, and the concept of the public good or national interest which government agencies are expected to use as their principal guidelines in making management decisions in the running of public utilities or other holdings.

Moreover, Mr. Speaker, it is not sufficient for Canada to become increasingly preoccupied with what the board of directors of the Canada Development Corporation might define as our national interests when we are so vitally dependent upon global interest for our economic survival. Let us for a moment examine the concept of national interest in reverse and suppose that the United States government decided for certain reasons that it was in their national interest to repatriate American owned automobile plants and related subsidiaries of them in Canada. What would happen to the industrial heartland of Ontario in such a situation? Conversely, is there not the very real danger that the existence of the Canada Development Corporation will dampen, or deter external participation in our economy because potential investors from abroad may fear they will be subject to take-overs or other hazardous action from the Canada Development Corporation at any time when the corporation's board of directors deems it to be in the national interest to move in on them?

The belief that the Canada Development Corporation will be a vehicle to enable the small Canadian investor to participate in the financial benefits of ownership in important and profitable Canadian companies is, at best, a spurious assumption. No evidence has been presented to show that there is a significant body of small investors in Canada who cannot find satisfactory or attractive opportunities under existing conditions.

I share fully the views expressed by the Canadian Chamber of Commerce during committee study of this bill. They were entirely dubious of any extensive participation in the Canada Development Corporation by the small investor. This amendment would indicate that this would be the result. Surely, Canadians with modest resources have no interest investing their few dollars in iron ore projects in Ungava or some other endeavour with benefits that are likely to be far too distant to appeal to them. Moreover, inflation, increasing levels of taxation and the creation of the welfare state are factors which all contrive to discourage people with limited means from saving. For them, the world of today and the satisfaction of today's desires are of much more interest than participation in ventures whose concepts and relevance to our national development are matters beyond their understanding or interest. The idea of the five dollar investor being one of the mainstays in the public offerings of the Canada Development Corporation is not, I suggest, something which

[Mr. Lambert (Edmonton West).]