

Canada Development Corporation

Corporation is to be effective, it should be located closer to some of the larger financial centres of this country.

Mr. Thompson: Mr. Speaker, that remark shows the illiteracy of the hon. gentleman so far as the financial situation in Canada is concerned. My province and your province would get along a great deal better if they did not have to depend on the sort of financial backing given the west by Bay Street—

An hon. Member: Oh, sit down!

Mr. Deputy Speaker: Order, please. It is obvious that the hon. member for Red Deer (Mr. Thompson) does not want to accept a question.

Mr. Anderson: Mr. Speaker, I am not rising to ask a question but to raise a point of order. I should like it clarified whether Vancouver is primarily an acceptable financial centre and Esquimalt is not. If the hon. member has reason to suggest that the headquarters of the CDC should be located in Esquimalt, I would be happy to go along with it because, after all, that is my home area.

Mr. Deputy Speaker: Order, please.

Mr. Thompson: Mr. Speaker, I suggest that the hon. member's point of order is not legitimate. If he wants to know the reason for my suggestion, let me say that it is not really because Esquimalt might be the most appropriate area for locating these headquarters but I had in mind that we should move the headquarters as far away from Ottawa and the central government as possible. Vancouver would be a very good location. The further away from Ottawa we can establish the headquarters, the better off it will be.

These points involve some of the proposals which have been made in respect of the establishment of the Canada Development Corporation, many of which have received the complete support of members in this part of the House. We do not have this kind of policy. In fact, the whole concept of the government in respect of this measure is abortive. I think the measure has value in that it would bring about a denationalization of some corporations. Some of these corporations have operated reasonably well during the years, but others are in difficulty, particularly those concerned with development of the north. I have in mind the development of northern power and transportation. Perhaps in this respect the government does have a role to play in making sure that funds are available for the development of industries and resources in the north. If we do not make these funds available, perhaps we should not be entitled to the potential of the north.

I am convinced, from the pattern indicated in legislation and speeches, that the government will try to convince Canadians that they control the CDC. It has been suggested that the government will encourage insurance companies and the holders of large sources of capital to invest in this corporation. I think it would be far better to let individual Canadians participate.

If there is a surplus in the Canada Pension Plan, such funds could be used for the development and expansion

[Mr. Anderson.]

of our economy. In this way we could create many more jobs and provide Canadians with a greater share in the development of Canada. More and more we must understand that the right to a living through one's work is a diminishing thing. We must recognize that the right of involvement or ownership on the part of individuals is diminishing. Yet man can only earn his living as a result of the fruits of his labour, the fruits of his capital or through a combination of both. I think a combination of these two principles could very well be the key to private investment as far as the individual Canadian is concerned. We should encourage the widest possible investment and ownership and participation, particularly in common or equity shares, on the part of Canadians in Canadian companies. This can be done not only through a viable form of the Canada Development Corporation but in many other ways.

Throughout the world Canada is noted for its great natural resource potential, only partially developed at the present time. Little is made of the fact that Canadians own very little of this great potential. If a country which claims to be maintaining the second highest standard of living in the world drifts into a situation such as we have in Canada, this is difficult to explain. There are causes for this national problem, and these causes are basically of our own making; we cannot blame somebody else for them. Canadian tax laws are contrary to the development by Canadians of these resources. These tax laws could be remedied very quickly, yet we have gone on for years ignoring this vital problem. When we do discuss it, the outcome is the type of recommendation that will further discourage Canadians from investing in their own resource development.

The advantage of United States companies often makes it impossible for a Canadian company to exist or to take over another Canadian company. This is a result of the difference between our tax laws and those of the United States. If a United States company borrows \$10 million from a United States bank to purchase a company in Canada, the interest on the loan is not taxable. This tax concession alone is such a deterrent to a Canadian company that often it will not entertain a project which the United States company considers to be a good investment.

In many areas of our resource industries there would be very little difference in the amount of tax collected if the advantage were given to companies to operate in these remote places. Therefore, tax concessions should be given to this type of development in order to encourage Canadian investors.

Another tragic development which has taken place in Canada during the past 20 years has been the changing structure of our financial machinery. Our decentralized financial organizations have now assembled in the central parts of Canada and are under the kind of control which is not really interested in the investment of money for the development of our natural resources. This has made it impossible for the private Canadian entrepreneur to carry on exploration and development. This leaves them open to only one recourse—that is, to sell to larger, often foreign—companies, or give up the project altogether.