

reasonable objective, that there are a lot of things that the market system can do fairly effectively. But there is no evidence, and there never has been, that the profit motive and national interest are the same thing, except perhaps to hon. members opposite. After all, this country has been guided by the profit motive from its earliest times. How much did the profit motive do to prevent the sell-out of Canadian industry? We are faced with today's problems because of the profit motive. The minister cannot correct the deficiencies that have arisen by creating another corporation which has a profit motive: it cannot be done. Are we so short of mutual funds that we need this? Really that is all the minister is proposing, the establishment of a mutual fund in which an individual can invest \$5. We have lots of mutual funds. There is no evidence that we are short of mutual funds in which Canadians may invest. That is not what we need. We need something else. We need something that will act as an instrument for Canadian government policy and secure Canadian objectives. You cannot do this with a corporation primarily oriented toward profit.

The minister hopes the pursuit of profit will accomplish his objectives. We find it difficult to go along with that. What we really need is a corporation that is prepared to take the kind of chances that other corporations have not or will not take. Let us leave the safe investments to others. That is not our problem. Let us take the chances. In a way, what has happened in Canada has been due to the failure of the entrepreneurial spirit. We have been too cautious. Now the minister proposes to set up another corporation to continue in this grand old tradition of caution. That is not what we need.

We need a corporation that takes into account the deficiencies of our market system. I for one, as I have said earlier, believe there are some things the market can do fairly effectively. We will leave those things to the market. There are other things the market cannot do, and this is the role for a Canada Development Corporation. If we do not do it through the Canada Development Corporation, then who will take care of the difficulties that will arise because of the market economy?

The second major point that the minister makes about the corporation is the need to rationalize industry. I would not disagree with the minister. This is a worthwhile objective. The Canadian economy is desperately in need of some instrument for putting companies together in new forms and combinations to improve their efficiency. But one of the difficulties is that it is probably too late to deal with major companies in the manufacturing field where the problem is greatest. The problem does not exist so much in the resource industries; it is mostly in the manufacturing industries. The reason it will be difficult to do this in the manufacturing field is that most of the companies are now U.S. owned. How does the minister propose to rationalize them in Canada when they are not rationalized anywhere else around the world? He will have to do a great deal more in the area of rationalization than just make the kind of references that are made in the CDC bill.

Canada Development Corporation

How can we undertake any kind of rationalization out of context with government policy? As a matter of fact, if we had the right kind of government policies we would not have to use the CDC for this purpose. Let us accept the idea that the CDC would be appropriate in some instances to accomplish rationalization, to prevent Canadian companies from being sold out, to put them together in new combinations—but it will be difficult in the absence of other government policies.

I said earlier that one of the reasons Canadian companies sell out is that it is more advantageous for foreign corporations to buy them than it is for other Canadian corporations to acquire them. What will happen if the minister does not have laws restricting the sale of Canadian companies to foreign corporations? Will the Canada Development Corporations keep bidding up and up to match the extra advantage possessed by non-Canadian companies? I do not think this is what the minister has in mind. I hope we will get a great deal more explanation of what he means and proposes with respect to rationalization.

To watch the government, Mr. Speaker, one would think we did not have any problems. To watch the government one would think its members had never read history or learned the lessons of history. We have a number of examples where attempts have been made to combine what is generally called the public interest with private profit. In Quebec the GIC started off on this line and has run into a great deal of trouble. In fact, the price of its shares has dropped substantially and there does not seem to be any further talk of putting more shares on the market. The GIC has done some good things in terms of public development, but it has not been able to combine public development and public interest with profitability to shareholders; and I do not think the federal government will have any more success in that direction.

We had another example in Telesat Canada. It was set up on a troika arrangement, with one third of the shares held by the government, one third by the common carriers and one third to be offered to the public. Shares have not yet been offered to the public and Telesat has not got off the ground. In fact, in a recent report the Telesat chairman said that the board was having difficulty because of the internal contradictions that exist in that kind of arrangement. Telesat could have fulfilled a purpose in national development, but it cannot do that when it has to take into consideration the interest of the private investors and of the other people associated with it.

In his opening remarks the minister made a brief attack on the NDP, saying we want to nationalize everything and take everything under our control. This is not what we are saying. We are quite prepared to see the CDC act in consort with others. We are quite prepared to see the CDC engaged in the development of private corporations, even with non-Canadian corporations. This must be clear. In these circumstances, I wish to move, seconded by my hon. friend from Vancouver-Kingsway (Mrs. MacInnis):