

ter, his officials and the people who will be appointed to this corporation, let me warn them that they may be at their mercy.

I am inclined to agree with the Minister of Consumer and Corporate Affairs (Mr. Basford) who has already stated that one of the essential things in our corporate and security exchange structure is a complete reformation. If this structure is reformed, there is reason and purpose for the Canada Development Corporation and I hope it will succeed. Again, I think we must reassess our presumption that the reason Canadians have not invested in shares in Canada is because they do not have savings. This is untrue: Canadians are among the highest purchasers of life insurance in the world.

An hon. Member: And the life insurance companies buy the shares.

• (9:00 p.m.)

Mr. Otto: It may be that the life insurance companies buy the shares, but Canadians themselves buy life insurance. If they buy shares at all, they buy penny stocks which they can sell a few days later for a profit. They are advised to buy a couple of shares of salami, and they do so in the hope that they can sell them tomorrow at a profit.

Mr. Bell: Is salami going up?

Mr. Otto: In 1955, when Ford of Canada was owned mostly by Canadians, Ford of Canada had a great advantage. Ford International was owned by Ford of Canada, and Henry Ford made sure that Ford in the United States could not own any part of its shares—so Canadians had it made. The shares were selling for perhaps \$50 each. In 1956 the Americans made an offer to all Canadian shareholders on the basis of \$75 a share when Ford of Canada was making money and Ford in the United States was losing money. Everybody in Canada sold out and made \$25 a share profit. But those shares could not be bought today for love nor money.

Investment does not come from savings; it comes from dividends. It is the money you make as a dividend that you re-invest; it is not the money you have carefully saved. The United States accumulation of capital originated with whaling ships, oil, the slave trade and the spice trade—that was the beginning. Everytime a person receives a dividend cheque he uses that cheque to buy further shares—but it is not his savings. This is really

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the issue. If we want Canadians to invest in Canadian corporations we must remove from their minds the apprehension they have—which is warranted—that they will be taken.

The role of the CDC is to guarantee to a Canadian investor that if he invests \$1,000 in certain approved shares, the CDC will insure those shares so that he will not lose money on them. This is done every day in the commercial world, but only in respect of large sums. When the investor sees the stamp of the government of Canada he will buy shares and will eventually get into the habit of buying shares. This is a role for the CDC.

Mr. Speaker, I promised I would not be too long. I believe I have made my point. This is a good bill, but it all depends on how it is administered and who administers it. I believe that if it is properly administered, and if the minister takes into consideration the climate in which he will be dealing and the atmosphere in which he must deal, it could be successful. But if the minister thinks the climate now is ripe, and if he thinks he can be safe with the stock exchanges and the markets as they are today, I am afraid he and all of us will be very disappointed.

Mr. Bell: Mr. Speaker, in view of the winter storm there is some thought, at least on this side of the House, that we call it ten o'clock and adjourn an hour early. This would have the advantage of getting us ready for the prayer breakfast tomorrow. Also, some of us may get home early and find that our wives have not completely shovelled out our driveways. At least it would be a gesture to our staff, who so far as I know are the only public servants in Ottawa who have not had the day off.

Mr. Knowles (Winnipeg North Centre): There seems to be general approval of this proposition, and we join in that approval.

Mr. Francis: I presume this would also include the "late show", so that we would adjourn at this point.

Some hon. Members: Agreed.

Mr. Deputy Speaker: I take it there is general agreement that this House adjourn until tomorrow at 2 p.m.

Some hon. Members: Agreed.

At 9 p.m. the House adjourned, without question put, pursuant to Special Order.