

Canada Development Corporation

debate, Mr. Speaker, but the conclusions which are drawn—

Mr. Speaker: Order. I have to interrupt the hon. member, his time having expired. He may continue his remarks with the agreement of the House.

Some hon. Members: Agreed.

Mr. Orlikow: Thank you, Mr. Speaker. I certainly do not have time in which to put on record all the many important points the hon. member for Duvernay made in his speech, but I should like to draw attention to some of the figures he cited which were derived from government publications, from reports made annually under one of our laws which requires both labour unions and corporations to file with the government detailed information on their financial operations.

The hon. member for Duvernay pointed out that in the years between 1965 and 1968 inclusive the metal mining industry in this country recorded book profits of \$1,707 million while the income on which it paid taxes was only \$222 million. In other words, it paid taxes on only 13 per cent of its profit. I would remind hon. members that these figures relating to profits were submitted to the government by the industry itself, so they are certainly not exaggerated in a way which would bring shame on it. The mineral fuels industry recorded a book profit of \$775 million and the income upon which it paid taxes was only \$45 million. It paid taxes on 5.7 per cent of its profits. Other mining concerns showed book profits of \$374 million and paid tax on a taxable income of only \$120 million, 32 per cent of their profits. Manufacturing industry as a whole showed book profits of \$12,745 million and paid taxes on \$8,052 million, or 63 per cent. Look at the difference—only 13 per cent for metal mining and 63 per cent for manufacturing. The retail trade recorded profits of \$1,620 million and paid taxes on 90 per cent amounting to \$1,445 million.

If we look at book profits and taxable income by size of corporation we notice some very significant things. Companies that had profits of less than \$1 million in 1968 had book profits of \$809 million and paid taxes on 76 per cent of those profits, namely on \$612 million. Companies that had profits of \$5 million to \$25 million had average book profits of \$1,265 million and paid taxes on only 64 per cent of those profits, namely on \$810 million. Companies that had over \$475 million profits had book profits of \$4,145 million and paid taxes on only 47 per cent of their taxable income, namely \$1,960 million. In other words, our taxation system is already designed to benefit the larger corporations which more and more are foreign owned.

• (12:40 p.m.)

What do the Minister of Finance and the government of Canada propose to do with the Canada Development Corporation? This is a bill which again benefits in the main the large corporations since corporations with assets of less than \$1 million are excluded from its provisions. Once more money invested by the people of Canada will in the initial stages, as a result of deliberate

[Mr. Orlikow.]

government policy decision, go to those corporations that already have benefited so markedly from Canadian taxation policy.

It seems to me that this cannot be justified on the basis of equity, on the basis of justice, or on the basis that it is an attempt to deal with large-scale unemployment in this country. Surely we ought to be trying to encourage the smaller companies in Canada which, as the hon. member for Duvernay pointed out in his speech, are much more labour-intensive rather than the larger companies that are so markedly capital-intensive. We should be helping the smaller companies who need help the most. For the money they receive they will employ more people than the large companies, which already have the money that they need, are largely capital-intensive, and as a result do not employ as many people.

I suggest that we should reverse our direction and direct, either by law or by regulation, that the bulk of this money should go to public investment, either in co-operation with the provinces or the municipalities, or with co-operatives or small private companies. If we adopt the proposals of the government we are doing the exact opposite of what we ought to be doing. Our amendments Nos. 3, 4 and 5 are designed to reverse the order of priority and to put the emphasis where it ought to be put, namely, in the public sector, with small businesses rather than large businesses. I therefore urge hon. members regardless of party to vote for the amendment proposed by this party.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to say a few words regarding the Canada Development Corporation and the amendments that are before the House. Never before have we seen a bill about which so many people have so many different ideas and concepts regarding what the bill will and could do. Some people see this legislation as the way to buy back Canada. Some feel it is a way for Canadians to invest in Canada, as if there were now no other way available. Others feel it is a way for the Canadian government to help some of the small industries and smaller corporations. Still others feel it is a way in which we can further develop our mining industry and the secondary manufacturing industry that springs from the mining industry.

We have had on the books for a long time now the legislation setting up the Industrial Development Bank which is prepared to lend money to industry anywhere in Canada at the going rate of interest in order to help and encourage development of industries within Canada. There has been in operation now for the last three or four years the Regional Development Incentives Act under which grants are given to encourage industry in various regions of Canada. Significantly the Department of Regional Economic Expansion does not draw the line regarding who will get these grants; it makes grants to any company that feasibly can apply, be it an American, Belgian or French corporation, and in some cases it may be a small Canadian concern. However, in most cases the money is lent to foreign concerns who wish to develop manufacturing industry in one form or another in Canada.