

That is the Finance Committee of the United States Senate speaking. It is speaking as of February, 1973 in reference to the actions of the Trudeau Liberal government with respect to the problem the government feels will be lessened as a result of the bill before us today. The report goes on at page 97 to set out a chart on which is recorded the growth of direct investment by United States multinational corporations around the world. The figures compare the situation in 1960 with that in 1970 and they show that direct investment in Canada rose from \$11.2 billion to \$22.8 billion in that period. I think it is significant to note that those are mainly the years of Liberal government in Canada. The U.S. Senate committee mentions for example, that, by deliberate choice, Japan, in contrast to Canada, has successfully restricted foreign direct investment in productive facilities. Again, I remind the House that this is a committee of the U.S. Senate commenting on our performance as far as the United States investment around the world is concerned. I think it is fair to say that, in general, the tone of this committee report is one of utter amazement at the inactivity of the government in Ottawa faced with the problem hon. gentlemen opposite feel they are coping with in the bill before us today.

I do not wish to take up the time of the House unduly by discussing all the various points made in this report, but it is of particular interest to find the committee mentioning, specifically, that research and development tends to favour parent corporations at the expense of subsidiaries. I shall touch on this matter later.

I feel that when we discuss the problems which face Canada in this field at the present time we should bear in mind that the problems have been well spelled out. What we need are the answers, and I suggest that the minister, in his address to the House, has failed to provide those answers. I do not feel that the bill he has proposed is, in itself, an answer.

Allow me to return, for a few moments, to the subject of the "pillars of Gillespie". I would remind the House that he said they constitute a positive support for the development of Canadian-owned and controlled corporations and positive measures to maximize the benefit to Canada of foreign investment. Let us examine two or three of the areas which the minister has under his jurisdiction. I refer particularly to the anti-dumping legislation and to the activities of the Export Development Corporation. We find that this government, which speaks so righteously on this bill, has not maintained in practise the pillars of Gillespie. Its actions with respect to anti-dumping measures and the Export Development Corporation do not bear out the minister's words. Here is a minister who says the government stands for small business, that it stands for the proper development of Canadian-owned and controlled corporations.

Let me tell hon. members the tale of the tanning and shoe industry in Canada. This industry has been inundated by imports of goods from all over the world. Its representatives have made numerous trips to Ottawa pleading for something to be done to set a quota so that they might be able to carry on as an industry. Part of the answer by the government was to refer the plight of the industry to the anti-dumping tribunal. Appearing before a committee

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of this House, the chairman of that tribunal confirmed that the reference to them had been made in November, 1971 but he said that to date the committee had not reported on its findings concerning the industry. The industry has now stated that unless something is done on an emergency basis it will literally be out of business by 1975. In the last five years, 3,000 employees have lost jobs in this industry because of the failure of the federal government to do something about the importation of foreign goods.

What I am suggesting, Mr. Speaker, is that if this is an example of the type of agency or tribunal the minister proposes to set up to solve the foreign ownership problem facing this country it is a sorry precedent. Such an agency would be a totally inept vehicle for coping with the problem we are considering today. I would point out that the chairman of this anti-dumping tribunal, who receives a salary of \$34,000 a year, and his two assistants who between them get another \$60,000, operate on a budget in excess of \$300,000. They have dealt with six references in the current year. The average number of references since the tribunal was set up in 1969 have been five or six a year. I take it this is what the minister calls action. He can slough off a problem without worry that something will be done for 16 months or so in the case of the tanning and shoe industry. The tribunal to which I have referred has sat on the matter while a 100 per cent Canadian-owned industry dies.

Consider the question from another aspect. How can the government actively assist Canadian business? Take the Export Development Corporation, for example. In this case we find that the No. 1 multinational corporation in the world, General Motors Corporation, has been very fortunate in Canada. In 1973, it recorded sales in this country worth approximately \$2.5 billion. The corporation's net income was approximately \$80 million. But I wonder whether the minister realizes this: in the years 1970 and 1971, the net income tax paid by General Motors of Canada Limited amount to approximately \$35 million. Here is a corporation with net sales, if we join the two years, amounting to almost \$4 billion, which pays approximately \$35 million in Canadian income tax. To put this into a world perspective, the parent company recorded sales of \$28 billion around the world in 1971 and paid \$1,900,000,000 around the world in taxation. I suggest that our tax program certainly has not been unfavourable to this corporation.

Most surprisingly, though, the Export Development Corporation has extended credit in the past year or so, mainly to Yugoslavia, in a total amount of \$57 million for the benefit of General Motors. As at the end of December 1972, almost \$50 million of that amount was still outstanding. It represented almost 6 per cent of the total ceiling that parliament granted to the Export Development Corporation for such assistance. In the two years 1970 and 1971, General Motors paid through its Canadian subsidiary \$35 million, but it reaped the benefit of financing through the Export Development Corporation of some \$50 million as at the end of last year.

• (1630)

As mentioned earlier in the House, the financings of the Export Development Corporation are generally around the high 6 per cent or the low 7 per cent a year level.