

Canada Development Corporation

National defence gets the largest amount; but \$181 million were granted foreign enterprise for setting up plants in our country. Not only does Canada invite foreigners to invest here, but it also subsidizes foreign industry that has invested in Canada.

We find, in Jean-Jacque Servan-Schreiber's work *The American Challenge* an extremely revealing and interesting passage on this subject. We see that what is happening in Canada is also going on in Europe. It seems impossible to escape that state of affairs, at least in our present system. Here is what Jean-Jacques Servan-Schreiber writes, at page 14 of the English edition:

The least-known aspect of American investment in Europe is its means of finance. Financing investments is not a serious problem for American corporations.

With their scope, capabilities, and techniques they have no trouble finding money on the local market to pay for their factories.

During 1965 the Americans invested \$4 billion in Europe. This is where the money came from:

—loans from the European capital market... and direct credits from European countries—55 per cent;

—subsidies from European governments and internal financing from local earnings—35 per cent;

—direct dollar transfers from the United States—10 per cent.

Thus, nine-tenths of American investment in Europe is financed from European sources. In other words, we pay them to buy us.

We have about the same situation here in Canada. In 1965, we gave them 55.5 per cent of our industrial grants.

On the one hand, a bill to establish a Canadian Development Corporation is introduced as a cure to this situation; on the other hand, everything is being undertaken to attract U.S. investors here because Canadian workers do not have the capital required to buy shares and stocks from companies working on developing our natural resources, our industries, our service companies and our businesses.

I would like to draw to the attention of the House, through the Minister of Finance, the problems involved in the tax reform. When people speak of reform in tax matters, they mainly speak of increases.

In the Finance Minister's White Paper, every means is provided for snuffing out, for destroying small enterprises as it was so aptly said last evening by the hon. member for Edmonton West (Mr. Lambert) in his speech on the bill. And one Mr. M. I. H. Apser said on November 26, 1969 in a speech to the chartered Institute of Secretaries in Vancouver:

Having all the evidence for it, we are deeply convinced of the value and the necessity of these private enterprises within the Canadian economy, not only as a factor which up to now has played an important part in our national welfare and progress, but also as a valuable potential for the post-war years. The surpluses they have accumulated will provide the means of development that the country needs essentially and they will contribute greatly to increase the number of jobs.

A very high percentage of Canadian people depend directly or indirectly on the financial prosperity of private enterprises—

[Mr. Laprise.]

• (3:10 p.m.)

I fully agree with this statement. If one looks at the development of Canada or of any democratic country, one will find that personal initiative has contributed not only to ensure such development, but also to make Canada one of the most industrialized countries of the Western world.

And it is this private enterprise that we are trying to destroy by all kinds of means. On the one hand, there is the radical action of the labour unions. Sometimes, through inconsiderate action, they force industries to merge into combines, thus forcing small industries to close their doors. On the other hand, the government, through its taxation system, does everything to destroy the small industry, the family industry, that has been the strength of Canada over the years.

Nowadays, the family farm does not exist any longer. There is a tendency to vertical integration, to enlarging farms and turning them into companies in order to put an end to individual property and to change farmers into proletarians. And the same trend seems to prevail with regard to other small concerns.

Mr. Asper went on to say:

At the very moment when we are concerned about the investment of foreign capital in Canada and about the foreign ownership of an important part of Canadian resources, the proposals of the white paper would make it still harder for the Canadian people to put money aside, which is the only way for them to make investments in the resources and industries of this country. The editorial writer of the *Calgary Herald*, on June 18, 1970, proclaimed his support to the declared policy of the Liberal party, which is "to encourage investments by Canadians". Then he added that the government "succeeds so well in emptying the pockets of the taxpayers, individuals and corporations, that a number of Canadians have no more money to invest—they have hardly enough, indeed, to meet their own daily needs". This editorial was entitled: It is necessary to buy Canada back... but with what?

With what should we buy Canada back? There is only one solution and people laugh when they hear it, but it is the theory of Social Credit. It is not the first time that we talk about it. We have been preaching it for 30 years. But some economists and politicians in the pay of high finance think it is funny. They will not spare a few moments to examine the situation and they do not want to compromise themselves, because the \$2 billion the Canadian government will pay this year in interests on the national debt will not go to miners, loggers, workers or farmers, but to high finance that controls the world. Financiers are not interested in a change of the economic system. They want to keep on skinning the Canadian population.

I believe the remedy would be in the financing system of our public bodies as advocated by the Ralliement Cr ditiste. Today, every three months or so, the federal government borrows money on the bond market to finance its administration, to balance its budgetary deficit or to reimburse its bonds.

The provincial governments are in the same situation: they must borrow astronomical amounts of money each year to continue to administer as best they can. Municipalities and school boards are also in the same situation.