

The Address—Mr. Douglas

government needs more money, and it is doubtful that it will, it can raise the surcharge on corporations to 4 per cent so that it will be the same as the income tax levy. It can also raise the ceiling on the 4 per cent levy on income tax. There is no reason why a person who gets \$10,000 a year—

Mr. Speaker: I am sorry to interrupt the hon. member but I have to advise him that his time has expired unless he has the leave of the house to continue.

Mr. Pearson: I hope the house gives him leave to continue because if he carries on he will have us making a profit.

Some hon. Members: Agreed.

Mr. Douglas: Mr. Speaker, I can assure the Prime Minister that he will have a profit on the right side of the balance sheet, on the things that really matter.

Some hon. Members: Hear, hear.

Mr. Douglas: I was saying Mr. Speaker, that surely we ought not to stop at the first \$3,000 of taxable income if we need funds for this purpose. There is no reason why people in the \$10,000, \$20,000 and \$30,000 income categories ought not to be required to pay more than, say, a person earning \$5,000, and if the government really needs money this is one of the ways it can get it.

May I thank the house for its kindness in giving me some additional time, and at the same time may I say something I omitted to say earlier and intended to, and that is to congratulate you, sir, on your election as Speaker of the House, to say how pleased we are at the way you have conducted the affairs of the house during the very short time you have occupied the chair, and to wish you well as you continue what is a very arduous responsibility.

The other matter I wish to mention is the question of regaining control of the Canadian economy. The Speech from the Throne has two sentences that are worth remembering. One says:

—it is fitting to reaffirm the values and purposes that unite all our people.—

● (9:40 p.m.)

Later on it says:

The preservation and strengthening of Canadian identity and unity is the most important trust and responsibility of Parliament and of my Government.

We in this party agree wholeheartedly with those statements. Those are brave words but we should like to know what the government intends to do to preserve and strengthen

[Mr. Douglas.]

Canadian identity. As everyone knows, foreign investors now control major segments of our economy in the fields of manufacturing, mining and smelting, oil production and refining, the rubber industry, farm machinery and auto and aircraft manufacturing. Foreign investors are now moving into the insurance and financing fields. Our objection to this is not based on any sentimental grounds. It does not make much difference to a Canadian whether he is exploited by a Canadian capitalist or a United States capitalist, he is still being exploited.

Our objection is that increasingly the important decisions affecting the well-being of Canadians are being made outside of Canada by people who have loyalty to other countries than ours. We had a very good example of that this summer when three milling companies in Canada, subsidiaries of United States corporations, refused to mill flour for the Canadian government because that flour was being sold to Russia, which in turn intended to send it to Cuba. These corporations are doing business in Canada under the protection of Canadian laws with Canadian resources and Canadian workers, yet they feel that their loyalty is not to the country in which they are located but to the country in which their parent company is located. Surely this is untenable.

We may object to the violation of protocol Hon. Eric Kierans committed but the fact is that he spoke out for the people of Canada when he objected to United States foreign corporations milking their subsidiaries in Canada in order to help the United States deficit of payments problem, without regard to the effect their actions might have upon the Canadian economy or on Canada's deficit of payments problem.

Absorption always begins with economic control, followed by cultural assimilation by control of press, radio, television and periodicals. We should not forget that history teaches us that political power inevitably follows economic power, and that once a nation has tremendous sums of money invested in another country it must begin to exercise an influence on the political activity of that nation.

As we look at the situation in Canada we might well ask "where Canada is going?" Some one has suggested that we have passed the point of no return, but I personally do not believe that. Rather I think we should ask ourselves whether we are prepared to pay the price which will be necessary to regain control of the Canadian economy.