

*Income Tax Act*

it to this country? Why should such investments receive special consideration? I would have thought that this was the worst kind of encouragement to offer a country that wants to develop and provide employment for its own people.

What is the rationale for this approach if no benefit is derived from it and its purpose is to provide a nice tax haven in Canada to conduct operations? I do not know how such a proposition can be defended, and I am rather surprised at the position that some of my friends in the Conservative party are taking on the issue. I can understand the government backtracking on the matter, but I would have thought that these hon. members would criticize the government for trying to weasel out of what should have been a firm position. The government now wants to weasel out even more, and I find the situation difficult to understand.

International corporations have created serious problems around the world as well as serious differences between the countries from which they originate and the national aspirations of the countries in which they invest. It is a new kind of imperialism which is very similar to 19th century imperialism, the sort of thing Professor Hobson talked about. They are not sending in gunboats this time; they are sending in international corporations instead. The theory is just the same. They say: "We are doing this for your good. We are going to civilize you. We are going to bring you the Coca-Cola civilization. Where would you be without our gunboats and our civilizing influence?" We have seen the results of 19th century British imperialism. Do we want to duplicate the same sort of principle by using this different approach? Furthermore, do we as Canadians want to be participants? Have we not suffered enough from imperialism that we want to go out and play the same sort of game ourselves?

This country does not have to live off international corporations; we are rich enough without that. The international corporations tell the public to look at all the good they are doing, that they are providing industrial benefits and so on. But they do not pay taxes. Often the poor countries have been forced on their hands and knees to invite international corporations, to invest and to play off one country against another to give tax relief and all kinds of concessions in return for investment. Then they develop and expand through the use of government money which they claim is helping the country concerned.

I would far rather international corporations be taxed either by the country of their origin or by the country in which they operate. You could then have government level discussion on how to develop the country with the use of this money. I do not want Massey Ferguson civilizing the world because I am not that impressed with its civilizing attitudes. Neither do I want any other large company civilizing the world on Canada's behalf. If we are going to contribute to foreign aid and assist other countries, then it is this Parliament that should make that decision. It should not be made indirectly by other people who are exempted from taxation. I cannot understand why it is not clear and obvious that we get no benefits from this sort of operation. For example, we had a number of briefs presented to the committee.

[Mr. Saltsman.]

**Mr. Ryan:** One of the benefits was \$113 million in foreign exchange.

**Mr. Saltsman:** But for whose good was it, and what was it used for? To raise our dollar still further? The hon. member was complaining that the value of the dollar was too high. I remember one case before the committee made by. I think it was, a Liberian ore company which pointed out that they did not put any strain on our school system and suchlike but were simply using Canada as a vehicle for passing through income. They pointed out they were providing Canada with two million dollars a year for the privilege of using Canada as a tax haven, that if we insisted on passing legislation to put a stop to this they would go elsewhere and we would be short a couple of million dollars. Why should Canada, with a gross national product of over \$90 billion, prostrate itself as a tax haven for corporations of this kind for fear that they may move out of this country? Are we so poor and lacking in dignity that we must behave like a banana republic and provide a tax haven for companies that ought to pay taxation just as other companies do? I do not want my country to do that.

I think most Canadians would willingly pay a few cents ore on their tax bills—in order to retain their dignity and not sell themselves out for a few bucks.

**Mr. Ryan:** What will you do about all the jobs created?

**Mr. Saltsman:** They are not providing jobs. What sort of jobs are they providing?

**Mr. Ryan:** Union jobs.

**Mr. Saltsman:** They are not providing any jobs, whether they be union jobs or any other sort of job.

**Mr. Horner:** Don't forget the international unions.

**Mr. Saltsman:** Mr. Chairman, every time members of the Conservative party get hurt because someone throws their faulty logic back in their teeth they raise all kinds of irrelevancies. I respect hon. members on that side of the House very highly, but does it not discourage good debate in this House to drag in all these tired old saws?

Let me continue with what I was saying. One of the most important points to bear in mind, one which my colleagues and I have referred to before, on the subject of foreign ownership is that the difficulty in Canada arises not so much from foreign ownership itself but from the fact that it is associated with the multinational corporation, which usually has a different set of objectives from those of the country in which it resides. In other words, these companies very often do what is best for them. If it happens to suit the country in which they reside, then that is all right. If it does not, then that is too bad. The Canadian multinational corporation is just as destructive of national interests as is the United States or any other foreign corporation. At the head of the list of those who are the most vociferous in their opposition to any attempt to limit foreign ownership in Canada is the Canadian multinational corporations, the big companies of Canada. They do not want any restrictions on what they may or may not do because they are always afraid that if Canada places restrictions on them other countries will follow suit. This is what they fear, and so they should.