

Inquiries of the Ministry

[Later:]

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to direct a question to the Minister of Agriculture. Earlier this afternoon he announced the deficiency payments to egg producers under the Agricultural Prices Stabilization Act. Could he tell us what steps his department is taking to make sure these deficiency payments go to the egg producers, rather than to commission men and agents who handle the products of the egg producers?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, if the hon. member would direct those people who are not receiving them, or he thinks are not receiving them, to write me, I would be glad to investigate their cases.

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, with regard to the egg price support announced by the minister, we appreciate the Conservative farm policy he announced, but what happened to the Liberal promise of regional averaging and quarterly payments?

FINANCE**REPORTED REDUCTION IN FOREIGN INVESTMENT
IN CANADA**

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to direct a question to the Minister of Finance and draw his attention to the latest bulletin of the dominion bureau of statistics on the question of foreign investment in Canada, showing receipts of only \$98 million from this source compared to foreign capital inflows of \$391 million, \$410 million and \$386 million in previous quarters.

I should like to ask the minister whether he is satisfied with the reduction of foreign investment to this extent and, if not, what is going to be the attitude on the part of the government toward increasing the amount of this investment?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the right hon. Leader of the Opposition has drawn attention to the effects of the introduction of the United States interest equalization tax, or the announcement of it, and the fact that while it is still being considered by congress there will continue to be a very considerable reduction in the amount of capital flowing from the United States to Canada. I should like to be able to do something about it, but obviously the only effective way of doing

anything would be to speed up the legislation through the United States congress, and unfortunately I am not able to influence that.

Mr. Diefenbaker: Mr. Speaker, now that the Americans are blamed for this and not the legislation brought in by this government, does the minister agree with what hon. Mr. Kierans, the Quebec revenue minister, said yesterday in speaking at the Windsor hotel:

—denial of access to American capital markets, promoted by the Canadian government, is making more costly the financing of growth in the private and public sector—"Ottawa's hostile attitude against foreign investment" has forced one United Kingdom company to abandon its plan to set up a subsidiary plant in the Drummondville area.

Does the minister agree with that criticism by one of his good friends?

Mr. Gordon: Mr. Speaker, Mr. Kierans is a colourful character, but I am afraid I cannot always agree with his statements.

[Translation]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to ask the Minister of Finance a supplementary question. In view of this lack of United States credits, is the Minister of Finance considering the creation of Canadian credits in order to replace those U.S. credits which are not flowing any more to Canada?

[Text]

Mr. Gordon: Mr. Speaker, I think this is hardly the time to discuss monetary theory.

Hon. Theogene Ricard (St. Hyacinthe-Bagot): A supplementary question, Mr. Speaker, to the Minister of Industry. Is this the practical effect of his policy of regional development that we are experiencing now?

[Later:]

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Finance in connection with the question asked earlier by the Leader of the Opposition. Can the Minister of Finance tell us whether the diminution in United States investment, the flow of United States capital into Canada referred to by the Leader of the Opposition, exceeds the amount the minister hoped to achieve by his ill fated legislation earlier this year?

Mr. Churchill: That is a loaded question.

Mr. Gordon: I think I need counsel, Mr. Speaker, before I deal with a question of that kind.

Mr. R. Gordon L. Fairweather (Royal): I have a supplementary question, Mr. Speaker, that I tried to get in earlier. What plans can