

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

● (3:00 p.m.)

The House resumed from Monday, February 22, consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Development Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs, and the amendment thereto of Mr. Saltsman (p. 3648).

Mr. Speaker: I understand that the hon. member for Abitibi (Mr. Laprise) had the floor when we adjourned last evening. I gather now that the hon. Parliamentary Secretary to the right hon. the Prime Minister is attempting to gain the floor on a point of order.

Mr. Danson: No, Mr. Speaker, I am just rising to take part in the debate when my time comes.

Mr. Speaker: The hon. member's time has not yet come.

[Translation]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, at the time of adjournment last night, I was showing how far American businessmen have gone in gaining control over Canadian trade and industries. The bill before us seeking to create the Canadian Development Corporation seems to aim at stopping takeovers of Canadian businesses by American firms.

I was saying that it is not the kind of corporation that would prevent Americans from investing capital in Canada. We know how enterprising American businessmen are and we are aware of the necessity for them to invest their capital.

I am therefore convinced that they will keep on buying existing Canadian businesses or try to contribute, through their capital, to the establishment of others.

The minister has often stated that Canadians show little interest in investing their savings in Canadian companies or in organizing new ones. However, the problem is that Canadians have not much savings to invest. We know that the tax rate is eating away the Canadian workers' income.

Last Saturday, a miner showed me his cheque stub indicating seven different deductions. Now, when a miner earns his living in the bottom of a pit and must pay every fortnight \$94 in income tax, it is inconceivable to ask him to invest his savings in the Canadian industry. He is unable to do so. It is the government that takes them away from him.

Northwestern Quebec is faced with the problem of exhausted mineral deposits, which forces certain mines to close down. Gold mines are no longer worth anything, in fact a gravel pit nowadays is worth more than a gold mine.

Canada Development Corporation

It seems that Noranda Mines Limited may build a copper refinery in the province of Quebec within the next few months. Indeed a group of businessmen from northwestern Quebec have associated with a view to inciting the government to support Noranda Mines Limited so that the latter's project may be implemented.

Canadians do not have the capital required to purchase shares and thus help certain companies, such as Noranda Mines Limited or others of that kind, to establish secondary industries in our country.

For its part, the government intends to set up the Canada Development Corporation—which will no doubt become state-owned—to force Canadians to invest in it, under the guise of taxes, because the capital that the government will invest in that Corporation will come from the Consolidated Revenue Fund. That is what I call a socialistic measure.

Mr. Speaker, I think that the government, through grants or tax exemptions, should help Canadian companies start new industries to process locally the basic materials that we find here.

Very recently, the hon. Minister of Energy, Mines and Resources (Mr. Greene) stated that our basic materials should be processed in this country before being exported. I agree entirely with this statement. Besides, the government of Ontario passed an act two or three years ago which compels companies to process basic materials as near as possible to their place of origin, before shipping.

If such a law existed at the federal level, it would benefit Canadian companies and Canadian workers.

The minister stated on January 20, 1971 and I quote:

You will agree with me, I think, that in the years to come, Canada will need a policy designed to attract important foreign capital needed to explore our continental shelf and other mine and energy resources.

Now that statement is inconsistent with the proposed bill of his colleague, the Minister of Finance (Mr. Benson) who personally advocates the establishment of a corporation with the income taxes of individuals, want to interest those who still have savings to invest in that corporation, and that in view of checking the import of American capital.

On the other hand, the Minister of Energy, Mines and Resources says that we should interest Americans to invest more in Canada. So, this is a contradiction. I wonder how we will get out of all this.

In the 11th report of the Standing Committee on External Affairs and National Defence, we can read the following on page 3357:

Non-resident owned firms have received 50.5% of the \$368 million in federal grants paid to industry under certain selected programs during the 1965/66-1968/69 fiscal years. Canadian-owned firms received \$173 million (48.2%) while non-resident owned firms received \$181 million. These grants were made under the following programs: Industrial Research and Development Assistance Program; Automotive Adjustment Assistance Program; Industrial Research for Defence Program; Industry Modernization for Defence Exports Program; Ship Construction Subsidy Program; Development of Industrial Technology Program; Defence Industry Productivity Program.