

Commercial Corporation

in state trading. While Canadian business is willing to accept what help the government should provide in the way of information, consular service and so on, I believe its opinion is that the actual trading, the buying and selling, should be left to the businessmen themselves.

May I just say that one approaches this resolution without as much knowledge of the background as one might wish, with the exception of that which the minister was good enough to give us this evening. It is not often that a government department will get requests from this side of the house for more publicity, but I think it was news to most of us on this side that this agency had purchased \$404,000,000 worth of commodities for the account of others. That is an item of some importance, and if we knew about these matters as we went along we would be able to grasp more fully exactly what this resolution envisages.

I was glad to hear the minister say that it was not the intention of this corporation to encroach upon private business, but merely to be helpful. May I point out, however, that in the order in council are certain provisions which, I take it, will be incorporated in the bill when it comes down, pretty much in their present form, and those provisions are extraordinarily broad in their wording. For instance, the corporation may carry on the business of—

(a) importing goods and commodities into Canada,

(b) exporting goods and commodities from Canada, and

(c) storing and processing goods and commodities, either as principal or as agent, in such manner and to such extent as it deems advisable to achieve the said purposes.

It will depend a great deal upon who is running the corporation as to whether or not there will be conflict and interference with those endeavouring to carry on private businesses. The powers contained in the order in council, which, I suggest, will be incorporated pretty much word for word in the bill, are great, and perhaps the minister ought to consider limiting those powers if that can be done without too severely hampering the purposes of the corporation. Certainly in the hands of some we can see that these powers are so broad that they could deal a deathblow to free enterprise.

As I said, we have not had much information about this corporation heretofore. Perhaps we do not fully appreciate all the purposes it serves, and it is a little too much to expect that even after the remarks of the minister we can understand exactly what it

[Mr. Jackman.]

means. But if there is an economic need to be filled by this corporation; if the providing of it is not a matter of charity on the part of the government; if it is economically sound and not likely to involve the country in loss, then I do not see why those who are engaged in exporting and importing, even though they be foreign governments or foreign agencies, cannot provide the necessary machinery themselves instead of relying upon the government to do so. If there is a particular reason why Canadians—and I refer to businessmen particularly—are not as adventurous in the export field as one might expect them to be, it cannot be that they are short of capital. As everyone knows, our savings deposits are to-day greater than ever before. More capital is awaiting investment, and much of it is willing to adventure; but I suggest that if this money is not adventuring in the foreign field to develop some of these markets the minister has in mind, it is because the tax rate on businessmen is such that there is very little advantage to them in venturing their money where there is a substantial degree of speculation and risk. May I just quote from the *Ottawa Journal* of this evening a statement by Mr. Gordon Cockshutt, president of the Canadian chamber of commerce, who said:

This year's budget ignored the relief Canadians had a right to expect and which was promised in the previous budget address. There is no tax relief announced for the current year and only niggardly gestures for 1947 . . .

Instead of offering hope and encouragement to individuals and business to stimulate production, the reverse is the case. We cannot emphasize too much that maximum production alone can provide the goods for consumers at home and abroad and, equally important, that maximum production is the most effective anti-inflationary measure.

I merely quote that statement to indicate how the taxation laws of this country are interfering with all business, and the export business in particular. If companies wish to engage in the export business I believe there is a real need for the grouping of potential exporters into little organizations so that they can afford to send a man abroad to take orders and investigate markets for their particular products. But if they do engage in the hazardous occupation of endeavouring to sell in foreign markets and thus provide work for our own workmen, they will find that their little corporation is taxed thirty per cent on any earnings it may have, with the possibility of a provincial tax being levied in addition. If they are a new corporation they probably will have a fixed rate of earnings under the excess profits tax, and any earnings above the fixed rate, which would be only perhaps five, six or seven per cent, which is a niggardly return when one risks one's