

Proceedings on Adjournment Motion

indeed approached the officers of the corporation with a view to having them review their decision and determine the exact reasons the move is being contemplated. The minister suggested that conversations were held with the officers of the Versatile corporation. However, upon discussing this with the principal officers of the Versatile Manufacturing company I have found this is not the case. As a matter of fact, there had been no consultations prior to my raising the question on May 11 this year.

If, as the minister pointed out, discussions were indeed held, the president and the vice-president know nothing of such discussions. Therefore, I believe in all fairness that if the Department of Industry, Trade and Commerce is at all concerned about maintaining this important industry in Canada, some meaningful initiative should be taken to meet with the officials of the Versatile corporation in the hope of having this expansion take place within Canada. The president of Versatile corporation pointed out to me that they are not asking for any concessions; they are simply interested in equal and fair tax treatment. For example, Versatile operating in the province of Manitoba pays in the order of 54 per cent corporate tax. It is being asked to compete against major international machinery firms, including such mainline companies as Massey-Ferguson which I am told has been paying 31.6 per cent in corporate tax over the past three years, based on its international operations, and compared with John Deere which is paying in the order of 10 per cent based on its international operations. Add to this the impact of the DISC proposals and you have a situation which is literally driving this corporation out of the country.

In all sincerity I believe the minister and his officials should immediately take action to set up the necessary machinery and initiatives to hold meaningful consultations and discussions with the senior officials of the corporation with a view to having the operation established in Canada. There is a debate going on today about the branch plant economy which is prevalent in this country. It seems to me that if we do not do anything to bolster the Canadian corporations which are operating within the country, we will have nothing more to look forward to than a continuation of this so-called branch plant economy. I urge the minister, through his parliamentary secretary, to take immediate action to have this expansion by the Versatile corporation come about somewhere in Canada.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am very pleased to have an opportunity to clear up a number of points with regard to the Versatile Manufacturing Company. First of all I want to say quite clearly that officials of our department have been in close contact with a number of officials of the Versatile Manufacturing company, including Mr. Robinson, the president, with

whom officials of the department have met and to whom they talked in the last couple of weeks. Over a period of time other officials have been contacted in the department in connection with programs to assist them and advise with regard to marketing and production programs. Officials of Versatile have participated in scientific exchange missions to Germany and Russia and in trade fairs overseas and in the United States. So, as the hon. member can see, our department has had close contact with this company over a long period of time.

I want to say also that insofar as the DISC legislation is concerned, officials of this company have informed us that this legislation has not had a part in their decision to embark upon a manufacturing program in the United States. Also, the plant operation in Canada, which is now operating at a high employment level, will continue to operate in Canada. It is anticipated that this employment level will continue.

I would remind the hon. member of the recent tax changes which were brought in in the budget a week ago, which will reduce corporate tax a great deal and make it possible for companies such as this to compete more favourably with foreign operations abroad. I also want to remind the hon. member that Canadian manufacturers of agricultural machinery do not obtain any assistance from tariffs because of changes that were made a number of years ago which have brought the manufacturing and production of farm machinery in Canada down to the lowest possible level.

Mr. Mazankowski: Answer the question: Are you going to have discussions with Versatile?

Mr. Howard (Okanagan Boundary): I have answered the question. I said officials have dealt very closely with officials of Versatile for a considerable period of time. I have dealt with all of the points that have been raised in the hon. member's question. I have also said that the company will continue to manufacture in Canada at a very high level, and that the DISC program is not a factor in the decision of the company to establish a plant at Fargo, North Dakota.

All these points refute the points raised by the hon. member earlier. I think they indicate clearly that the Department of Industry, Trade and Commerce has been assisting this company in a great many ways to make them into a profitable and prosperous company in Canada and to make sure that they continue to serve the Canadian farming industry with products which are so famous and which have earned such an esteemed place in the Canadian economy.

The Acting Speaker (Mr. Laniel): Order, please. The motion to adjourn the House is now deemed to have been adopted. This House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.50 p.m.