

*Speech from the Throne*

Moscow, made a statement which indicated that we need the help of Russia to counterbalance the effect of the United States on our economy and way of life. There, again, you see an example of force and counterforce, balance and counterbalance, with the Prime Minister sitting back and observing the results. This is a dangerous game in which Canadians cannot possibly win. It may entertain the government, but it is Canadians who will have to pay the tragic bill.

May I now deal with some of the statements made by the Minister of Industry, Trade and Commerce (Mr. Pepin). I think the minister's opening remarks demonstrated clearly why his policies are not as successful as were the policies of the Minister of Trade and Commerce of the Diefenbaker government. The position is there in the minister's opening remarks for all to see, Mr. Speaker. He spoke—I am paraphrasing, and doing it correctly, I hope—of a total, global industrial policy. He said he was audacious; he said he was brave; he said he was bold. But never in his entire speech did he intimate in any way that he was businesslike—and that is what we need, a businesslike minister.

**Mr. Pepin:** I thought the terms were synonymous. Businesslike means bold and audacious, surely.

**Mr. Hees:** Does the minister know what business is all about?

**Mr. Danforth:** Mr. Speaker, in Canada we are in trouble with our industrial program and programs of exports. It was all very well for the minister to quote figures showing that arrangements have been made from which we will in future gain exports involving countless millions of dollars in trade. But that is in the future, and this government has been dealing with the future ever since it took office in 1968.

● (1630)

I do not think the industry of this country will be able to wait much longer for this utopia of the future to which the government constantly points. It is a serious thing when major industries in this country reach the point where either they are not making a profit at all or are making so small a profit as to prevent expansion. It is all very well for the minister and the government to state to the House how well Canada is doing in respect of its export markets, and industrially; but they lose their credibility when we look at the tremendous number of unemployed in this country.

The only way to employ people is to have something for them to do. You cannot have something for them to do when you have an export policy and fiscal and monetary policies which seem to be deliberately designed to curtail industrial capacity rather than expand it. We are in a position in Canada today that is absolutely tragic. We are using industrial funds to pay factories for not producing. We are using taxpayers' money to pay workers not to work. We are paying farmers not to grow crops and we are fining farmers for producing. In no way can we develop an energetic industrial complex by such methods. Then the government uses tremendous

[Mr. Danforth.]

sums of money in an attempt to get itself out of the dilemma.

The unfortunate thing is we seem to have such a complexity of departments of government today that it is almost impossible for one department to understand the programs of another department. Therefore, very often one department is working toward an end different from another department. I point out—and this is no secret—that under the regional development program we spend tremendous sums of money on the creation of industries when we have already industries which cannot possibly operate to capacity because the markets do not exist.

In this country, under regional expansion we grant large sums of money to create industries. What is happening, however, is that the industries are moving from one part of Canada to another to take advantage of these loans and grants in order to retool, rebuild and become more efficient at the expense of the taxpayers. We are not creating any jobs. What we are doing is moving the job potential. I do not think this is what the people of Canada expect from this government.

I should like to deal with some of the workings of the minister's department. The government speaks of economic sovereignty. There seems to be a tremendous bent or thrust by this government towards economic sovereignty. We hear about buying Canada back. We heard this in respect of the Canada Development Corporation. At the very time when they are going to buy back Canada and set up a Canadian Development Corporation to buy Canadian industries, the Department of Trade and Commerce is moving in the opposite direction, because since 1968, if my memory serves me correctly, about \$314 million in grants for expansion and innovation have been made. Over half this amount was given to four large firms which are controlled by the United States. In this way they are able to expand their holdings in Canada. The money of the taxpayers of Canada is being used in a manner directly opposed to the present policy of the government. This would seem to be a rather strange program.

We have paid out millions of dollars for research. I am speaking in the order of \$48 million or \$50 million paid out for research. In the 1960's a tremendous amount of research was being carried on. About 25 per cent of the basic research in industry was being carried on in Canada. Under this government, however, the figure is down to 4 per cent in respect of research done in this country under the incentives program of the minister's department.

**Mr. Pepin:** Where did you get these figures?

**Mr. Danforth:** They are your department's figures. About 19 per cent of this money goes to the United States' companies and subsidiaries, and only about 7 per cent to Canadian companies. I am not objecting to this; all I am saying is that this is not the policy being enunciated by the Prime Minister and carried out by the Minister of Industry, Trade and Commerce.