

In 1974, the same year as the report—in fact, following it by two or three months—the then minister of consumer and corporate affairs stated that the government would be introducing a new policy. The minister was contemplating the idea of a federal board to buy raw sugar and resell it to refineries. Just after that, president Neil Shaw of Redpath, Canada's largest sugar refinery, criticized politicians for meddling in the affairs of the Canadian sugar industry. I would remind you, Mr. Speaker, that we are talking of the Redpath company, a subsidiary of the Tate and Lyle multinational giant. In a book published in August, 1975, also by the Food Prices Review Board, concerning the Canadian refining industry, one can read the following statement on page 16.

—most of the Canadian refiners negotiate contracts allowing them to purchase their raw sugar on a “deferred pricing” basis. Under such contracts the price of the raw sugar would—

—in many cases, not—

—be determined . . . until the raw sugar was actually used in their refineries.

In the same document it is said:

—refiners can derive their refining margin from the list prices issued by Redpath.

Redpath is the company we are considering. It goes on to say:

—the refining margin received by the other refiners would not be determined directly by their own refining cost and profit expectations but instead by those of Redpath . . . This situation is quite typical of an . . . industry . . . in which there are few sellers.

In January of 1977, in a letter signed by the former minister of industry, trade and commerce, I read the following statement:

The general policy of the government is to leave the buying and selling of products in the hands of private companies with government involvement limited to border measures such as the tariff and matters affecting competition. This is the case with regard to sugar.

Also, in another letter from the then minister of industry, trade and commerce dated November 21, 1977, we find the following statement concerning proposals for the Foreign Investment Review Act:

These proposals were approved for the acquisition of control of Merry Packaging Limited and Holway Paper Box Manufacturing Limited by Redpath Industries Limited and its wholly-owned subsidiary, CBC Packaging Limited respectively.

I would explain my anxiety by referring to a couple of fairly well known cases that are being pursued in the courts. In 1974, testifying at the anti-combines trial of Redpath, St. Lawrence Sugar Limited and Atlantic Sugar Refineries Company Limited, an expert Crown witness testified that Redpath Industries Limited paid several million dollars more than necessary to a tax-exempt Bermuda company in which it was a shareholder. He said that the figures indicated that Albion contracted with various suppliers at discount prices for the raw sugar and charged it to Redpath at the price fixed daily in London. I understand that the case of tax evasion by the use of a Bermuda subsidiary is scheduled to come to trial in January, 1978. In connection with the appeal from the combines acquittal involving the same firm and other firms but involving primarily Redpath, a hearing was held in October of this year and a verdict is pending.

Export Development Corporation

That is the situation which led me, in October of 1976, to ask what were the terms and conditions under which the Export Development Corporation financed an industrial cane sugar complex for the Republic of the Ivory Coast. The reason I asked the question was the somewhat conflicting reports. For example, one report stated that the Export Development Corporation kicked in \$88.3 million in the form of a ten-year loan, while Canadian banks supplied \$21.6 million; Antony Gibbs and Sons Limited of the U.K. participated with \$16.7 million, and the rest came from a \$45 million Eurocurrency loan. The same report states that the Export Development Corporation gave a boost to Redpath Sugars Limited by helping finance a \$172 million cane sugar complex in the Republic of the Ivory Coast. But another report in another newspaper states that a further \$10 million is expected to come from the Canadian International Development Agency in the form of a concessional financing loan.

Thus intrigued by the variety of figures that were in different reports, I asked for details. The details as supplied in the answers are as follows. On August 11, 1976, the Export Development Corporation and four Canadian banks made an agreement to lend \$50 million to the Société pour le développement des plantations de canne à sucre, l'industrialisation et la commercialisation du sucre, to finance a sale by Redpath Industries Limited and Redpath Sugars Limited, Montreal, of goods and services for the development of a sugar cane estate and the construction of a raw sugar factory. Repayment is to be by 20 semi-annual instalments beginning six months after completion. EDC also provided a guarantee for loans by banks up to \$5 million.

We are discussing taxpayers' assistance, federal assistance, to a subsidiary of a giant multinational corporation which, according to a chart which I have with me, has at least 66 subsidiaries in just about every country of interest. I see countries such as England, Zambia, Canada, Bermuda, U.S.A., Jamaica, Mexico, Norway, Nigeria, Northern Ireland, Belgium, Rhodesia, British Honduras, Guyana, Trinidad, India, Holland, France, the Congo, Mauritius, Switzerland, Indonesia, Mozambique, and South Africa. This is the kind of company that needs federal assistance. I do not really know how much it needs, but according to the answer it is \$50 million. But there is no indication as to what forms of assistance are being given by other agencies, apart from the note I read in the newspaper about the \$10 million from CIDA.

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I also feel that the conditions I asked about in my question have not really been provided. Who will have priority, the banks or the Export Development Corporation? In a case such as this, what risks are we taking? That was not mentioned, and that is the reason I ask in my motion that the documents upon which this decision was made be provided. That is why I ask for all the correspondence, all notes and minutes of meetings which will indicate to the public why it has been considered necessary to invest something in the order of \$65 million, according to the figures I have, to assist Redpath, part of one