

our university graduates with grants from the Rockefeller, Carnegie, Ford and Fullbright foundations. In fact, in our relationship with the United States, we received everything but pride in ourselves. However, the times are changing. Canada is no longer just a fat copycat. Canada is developing a unique way of life. Canada is becoming the place to talk about.

• (1620)

For many observers, Canada is the centre of sophistication. To speak only briefly, and of the province in which I live, there is the Ontario Science Centre, the new Toronto City Hall, Ontario Place, the Shaw Theatre in Niagara-on-the-Lake as well as the Shakespeare Festival at Stratford, Ontario, the unique outdoor zoo that is being created in Scarborough and so on. There are the television centres of Toronto where artists flock from the United States to make their shows. There is the Ontario Educational TV channel which recently sold to the NBC in the United States more than \$2 million worth of educational productions which are regarded by NBC as among the best educational ones in the world.

Further, in the field of entertainment, the whole world is singing our songs, be it Gene McClelland's "Put Your Hand in the Hand of the Man from Galilee" or the songs of Canada by Gordon Lightfoot, Joni Mitchell or a score of others. In Canada there is new energy, imagination and ideas, new writers whose books are appearing throughout the world and new film makers whose movies are applauded by the sophisticated film critics of the world. This cultural flowering, this developing Canadian style, can only be sustained if there are continuing initiatives in the business field. Culture grows out of national prosperity. Culture grows out of money.

We find that not only in the world today do we have a cultural flowering and not only do we have industrial development in our own terms, but in the industrial field, we have multinational development. Until 1946, Canadian Pacific was only 9 per cent Canadian controlled by its shares. In 1973, it is 60 per cent Canadian owned. Canadian Pacific is spreading throughout the world. It is a multinational company with offshore oil rigs in the Mediterranean, a tin mine in Australia, mineral exploration in Greenland and in South Africa, a Canadian Pacific trucking fleet in Great Britain and hotel projects in Israel, Mexico and Portugal. Canadian Pacific has foreign investments which, in just the past few months, have run into tens of millions of dollars. At home, CP has a 53 per cent ownership of Cominco Limited, a major producer of lead, zinc, silver and chemical fertilizer. CP has a 51 per cent interest in Great Lakes Paper Company.

I find it strange that when a member of the Progressive Conservative party proposed initiatives that should be adopted for greater business prosperity in order to provide for our own development and personality, the hon. member for York South (Mr. Lewis) criticized the hon. member for Trinity (Mr. Hellyer). When the hon. member for Trinity stated his ideas on initiatives that should be taken in Canada by the government in order to have the kind of stimulation that is needed for Canada to maintain its present prosperity, let alone going to greater prosperity, the hon. member for York South referred to greater tax concessions. He referred to stimulations as being

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everything to build Canadian entrepreneurship at the expense of the Canadian people.

The hon. member for York South quoted from his particular selection of statistics to show how bad the situation is at present. It is true that if we look at corporate taxation as compared with taxation of individuals, according to the figures of the Canadian Tax Foundation, whereas corporations paid as a percentage of direct taxes 28 per cent in 1950, in 1973 they are expected to be contributing only 12.2 per cent. The hon. member for York South utterly ignored the fact that, although in 1950 the individual paid 26.7 per cent of direct taxes and in 1973 he is expected to pay 50 per cent of direct taxes, the income of individuals has increased 700 per cent since 1950. The income of individuals for 1972 is expected to amount to \$50 billion. The income of corporations for 1972 is expected to be \$7 billion, an increase of 300 per cent over 1950. He ignored the fact that the number of taxpayers in 1950 was 2.4 million and in 1972, 8 million. He ignored the fact that this increase in the number of taxpayers came about as a result of the increased prosperity brought about by business. This made it possible for individuals en masse to have 700 per cent increase in income since 1950 for a total of \$50 billion.

I wonder what my friends to the left think happens if there should be a \$2 million profit for a company after it has paid all its taxes. I know what they would propose. They would propose that this profit be immediately taxed and sent to the government. However, this \$2 million is either invested, which provides for further jobs and which in turn provides for further increases in income tax, or it is sent to shareholders as dividends. These shareholders must pay income tax on the amount they receive. The income tax is probably close to 50 per cent. Also, the shareholders may decide to reinvest this money.

I have more faith in income in corporations being spent by the corporations instead of being shoveled over to the government and spent by the bureaucrats. The most successful countries industrially in the world today, Japan and Germany, have arrangements whereby the government has a very low corporate income tax. As an example, at the present time there is a higher corporate income tax in Canada and the United States than in Sweden, which is supposed to be the place for social democracy. In Russia, all profits go to the state. The result is that they had to bring in the Fiat Motor Company of Italy to show them how to manufacture cars, the Japanese to show them how to drill for oil and process it and the Hilton company to show them how to build hotels where the elevators do not creak.

In Canada, we must have a continuing encouragement for initiative, not a discouragement of those who would invest from outside the country. If we are going to put on those types of restrictions, then we in Canada will find it difficult for our investments outside the country. We can only exist in this world in a prosperous way if we have the initiative to have multinational companies. With our achievements so far, we are merely on the threshold of unique achievement. The threshold is slippery. We will fail in the highly competitive world of today and tomorrow unless we lay the foundation for continuing productive Canadian initiatives.