

Income Tax

higher than those in any other country, and that is because of our vast geography.

In terms of total merchandising trade this country has had a surplus since the early 1960's, with the exception of 1975, when our exports were severely curtailed by the recession in the United States. In the face of this evidence one might conclude that we do not have any trade problem, but our surpluses have obscured alarming trends in the secondary manufacturing area. All during the sixties there was an annual trade deficit in manufactured products of about \$3 billion. This deficit has been growing since the turn of the decade. Last year it was over \$10 billion. It is getting worse in every single commodity group.

● (2212)

We had been offsetting this deficit up until a few years ago by trade in our natural resource and farm products. Now the price of grain has dropped. Our dollar is worth very much less than it used to be. As well, many of our mineral and forest product prices have dropped.

How many lost jobs are we ignoring in the manufacturing sector by such a deficit? Economists tell us that a \$10 billion trade deficit in manufactured goods translates into 175,000 jobs. We need policies, leadership, and confidence in that leadership to get the manufacturing sector going, and the decisions that are being made by hundreds of thousands of businessmen, consumers and people in trade unions must be the right kinds of decisions to get this country going again.

I now wish to speak on clause 13 of the bill. It deals with deductions allowed in respect of an outlay or expense incurred after September 21, 1977, for an advertisement directed primarily to a market in Canada and broadcast by a foreign radio or television station regardless of the date on which the contract of the advertisement was entered into. This gives an advantage to our Canadian broadcasting stations, the CBC, CTV and others. While I endorse the principle, I have some problems with what we are imposing on our businessmen and organizations in that we are restricting their ability to reach the greatest listening audience. As well, we may be forcing them to back a certain program or station they do not like in order to reach that audience and sell a product they are putting on the market.

A couple of weeks ago I moved a motion under Standing Order 43 to that effect that the CBC's presentation and the subject matter contained in the program "The Tar Sands" be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. The reasons for doing that were that they used a mixture of fact and fiction in that program.

The capability of their doing damage to the reputations of prominent figures in this country was there. I was totally disgusted with the premise that a respected radio personality came on and said that part of the program was fact and part was fiction. How were the listening public to know which was which? How were they to discern what was fact and what was fiction?

[Mr. Schellenberger.]

People soon forgot the warning and believed that the drama was all true. This was particularly so because they used look-alike characters, mimicked voices, and used real names which are still very much part of the public world. We cannot allow this kind of character assassination to go on, particularly by our public broadcasting corporation which should be respected as an educational medium as well as a medium to promote harmony and unity. If they had a charge, they should have backed it with facts, and made it. We must protect our freedom and our responsibility to the public with our every efforts. If by supporting these amendments we are in any way encouraging businessmen or advertisers to back a program of this kind, we are doing a disservice to our country.

● (2217)

In conclusion, we can no longer regard the two major issues affecting our future, disunity and worsening economic conditions, as being unrelated. The two are closely intertwined. The days of our strongest unity have been the most prosperous years of our existence. A strong economy is by no means the only answer to national disunity, but it is an essential element of that unity. If this bill does anything to strengthen our economy, it can count on our support.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am delighted to participate in the debate on Bill C-11. Our economy is certainly in a serious state. As has been stated earlier, we are facing a \$9.2 billion deficit. The minister brought in not long ago this whatever-he-calls-it, he did not call it a budget but it is a budget in everything but name, and in the days that followed, many of us on this side took exception to his smuggling it in so that he could shorten debate and cut off the opposition rather than spend the regular amount of time traditionally allotted to a budget debate. I said the budget was smuggled into the House. He was a smuggler. My hon. friend from Norfolk-Halifax said it was bootlegged in.

I commend the minister for getting the cabinet to recant as far as the iniquitous legislation having to do with life insurance proceeds is concerned. But he did not go far enough. The legislation still contains certain clauses which will not be satisfactory to those who carry life insurance. Businessmen will be seriously affected. They have probably scrimped and saved to keep up their life insurance policies as a guarantee of security for their families, but also—and this is very important—as an ace-in-the-whole should their businesses run into difficulty and need additional financing.

At this point I must confess to some conflict of interest because I have held a life insurance agent's licence for many years, and I know that when talking to businessmen, as to many types of prospects, attention is drawn to the fact that while a policyholder is living the policy can come to their rescue if they run into hard times. From time to time businessmen go to the bank and the manager asks them to list their assets. And when they list their assets they find they are really not too liquid. One of the questions put to them is whether they have any life insurance. This is because life insurance has