

was developed and inspired by Canadians; it is a sport which in fact evolved in Canada from its predecessor in England, and which has subsequently been exported from Canada to the United States where they developed it still further to what is now known as the American game. I think we should all realize, first of all, that what we call Canadian football, about which the Minister of National Health and Welfare was so emotional, is in fact an evolving sport and one which will continue to evolve.

Having traced that background I think I should refer to what I regard as this government's token gesture. To do this I think it is only fair to review very quickly the extent of foreign ownership in this country.

If the government is indeed alarmed about foreign involvement in our business world and in our culture, surely it is cognizant of the figures made available under the Corporations and Labour Unions Returns Act which came out in March, 1974. Hon. members will note that the total assets of foreign controlled corporations in Canada were approximately \$50 billion in 1970, and in one year they went up \$4.5 billion to \$54.5 billion. Then we find that the profits of the same corporations—I am referring to the corporations controlled by foreign interests in Canada—rose between 1970 and 1971 from \$3.5 billion to something over \$4 billion, an increase of \$582 million in one year, over half a billion dollars. I think it is interesting to note that over \$2 billion on that amount—\$2.2 billion—was actually paid to the foreign owners of those businesses in 1971. This sum made up of \$791 million in dividends, \$523 million in interest, and \$925 million in business services such as management contracts.

Let me summarize. In 1971, foreign controlled corporations in the non-financial industries in Canada, while they accounted for only 4 per cent of all the corporations in Canada in terms of numbers, represented 37 per cent of the assets, 44 per cent of the equity, 38 per cent of the sales, 46 per cent of the profits, and 47 per cent of the positive taxable income in Canada. To which foreigners am I referring? Specifically, the report points out that in 1971 total payments to foreigners in the United States was \$1.599 million.

● (2100)

I have been referring to a Canadian publication on the extent of foreign ownership in the business world in Canada. I would draw attention once again to the fact that this publication only came out in March, 1974 and that the most up to date figures given were those for 1971. It is regrettable that in order to get more recent figures concerning foreign investment in Canada I have to turn to the International Economic Report of the President of the United States.

In his report of February, 1974 he gives the American version of what they are receiving from Canada. We find that in 1972 the investment income receipts in the American books from Canada are shown as \$2 billion. On top of that are royalties received by the Americans of \$4 billion. In 1973—and I again emphasize these are American presidential figures because Canadian figures are not provided—the investment income receipts had jumped to \$2.5 billion, another \$500 million increase, and royalties stayed at the \$4 billion level.

Canadian Professional Football

I mention that bit of background, Mr. Speaker, because I suggest that this government has not done anything effectively to reverse the foreign ownership of industry in Canada. In fact, in introducing and speaking on this bill the Minister of National Health and Welfare (Mr. Lalonde) did not even know the name of the bill that his government passed concerning foreign investment in this country. If you check *Hansard* you will find that he referred to it as the "foreign policy review act" and took great credit for the fact that this was something that was somehow going to counteract foreign investment in Canada. The correct name is the Foreign Investment Review Act. I think that shows how lightly the cabinet weigh the various pieces of legislation that come before it. It may in fact be a Freudian slip, that reference to the foreign policy review; undoubtedly their foreign policy does need review.

I have touched in a general sense on the impact of foreign investment in Canada but I should like to be more specific, Mr. Speaker. After listening to the debate on Friday I went home on the aeroplane to Toronto and for the first time in many years looked through a copy of *Reader's Digest*, that fine Canadian journal to which this government has given such favourable tax treatment in order to keep it in Canada.

Mr. Sharp: Did you read George Hees' article?

Mr. Stevens: In answer to the Secretary of State for External Affairs (Mr. Sharp), there was not only George Hees' article, but on the inside front page I found an article by none other than the hon. Minister of the Environment and Fisheries (Mr. Davis). I found it most interesting that the article was entitled "Understanding is Half the Battle". In it he recited various things that the *Reader's Digest* had done that he thinks are commendable. Specifically he says "I commend the magazine", and he concludes by saying that we must remember those ringing words of Maurice Strong, who said "There is 'only one earth'".

Mr. Speaker, surely it is an odd situation that we have a government that says that national unity is at stake if certain people are playing football in Toronto this year or next year, yet apparently feels there is no particular reason to change the favourable tax treatment for the American publication *Reader's Digest*. I have seen some balance sheets and sales figures of professional football teams in Canada. I know what they earn and I know what their sales are. *Reader's Digest* sales in 1973 were \$28.5 million and their profit was \$1,757,000 after tax. Their shareholders' equity of \$5,534,000 is larger than the revenue of the entire league. I can assure hon. members that it is probably three times, maybe four times, the size of the entire league.

What can we draw from this odd and apparent contradiction? Why should the government be so concerned about who plays football while seeming to have so little concern about foreign ownership in this country generally and specifically about such things as *Reader's Digest*—which in fact is even commended for its fine activities in Canada?

Let me give the House another example of how one who comes from the general area of Toronto finds the priorities