

I believe we must reform the taxation system. Again I go back to the remarks of Eric Kierans when he was a member of this House, talking about the horrendous loopholes of which some of the corporate welfare bums in the extraction industries take advantage. I have before me some figures that were prepared about a year ago by the provincial department of finance in Manitoba. They show how the extraction industries take advantage of tax loopholes. They show the proportion of profits on which companies have paid taxes during the last ten years.

From these statistics we find that retail merchants pay taxes on about 90 per cent of their profits. Like workers and farmers, they are taxed on almost everything they make. Wholesalers pay taxes on 87 per cent of their profits. The construction industry pays taxes on 77 per cent of its profits. Manufacturing industries pay taxes on about 65 per cent of their profits. Then we get down to the mining companies, which paid taxes on only about 13 per cent of their profits in the last ten years. The gas and oil companies paid taxes on only about 5.7 per cent of their profits in the same period. From these statistics one can see the tremendous incentive there is for capital to go into the extraction industries, into mining resources and the development of gas and oil resources. All these industries are capital-intensive. They do not provide many jobs for Canadian people and they do not help to develop our country. The taxation system should be rearranged so that the extraction industries engaged in the development of oil, gas and mining would have to pay much higher taxes. This would encourage more funds to go into the service industries and into manufacturing.

I believe there should be a tax on the export of raw materials from Canada to the United States and from Canada to any other country. There should be more co-ordination between the provinces and Ottawa regarding the development and processing of raw materials in our country. Another suggestion I would like to make to the government—again, the hon. member for Windsor-Walkerville shrugged this aside earlier today—is that we use some of our foreign exchange reserves in order to buy back from foreign concerns some of the key areas that will be important to the development of Canada in the future. If I am not mistaken, we have about \$5 billion in American currency and gold sitting in the vaults of the Bank of Canada. A part of this, say \$2 billion, \$3 billion or more, could be earmarked to buy back part of our economy.

Another suggestion the government should take seriously is that it should cease giving government grants and aid to foreign corporations in Canada. One of the Conservative members referred to this question earlier today. The government hands out millions of dollars of tax concessions, depletion allowances and grants to foreign companies in Canada each year, to the detriment of the Canadian economy and the Canadian people. I would like to quote a few statistics to show the seriousness of this problem. We find that since the inception of the DREE program, over 50 per cent of the grants made by the Department of Regional Economic Expansion have gone to foreign companies. We find a large proportion of the activity of the Canada Development Corporation devoted to assisting huge, foreign, multinational corporations. We find that under the Industrial Research and Development

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Incentives Act, known as IRDIA, 39 per cent of the grants have gone to foreign companies. Under the advancement of industrial technology program, known as PAIT, 45 per cent of the grants have gone to foreign firms and foreign companies. Under the defence industry productivity program, 86 per cent of the grants have gone to foreign companies and foreign concerns. This type of activity should stop: we should cease to give grants and handouts to foreign-based companies.

There is another area on which I want to comment briefly, that is, the field of culture. I believe this is very important in terms of developing a country that is truly Canadian. We have had some leadership from the government of Canada, in terms of Canadian content in broadcasting and regulations specifying 80 per cent or more Canadian ownership of radio and television. Measures like this can be taken in other areas of importance, both in the cultural and the economic fields.

I believe that the book publishing industry is one that should be totally controlled by Canadians. There should be more encouragement given to Canadian writers, artists and magazine publishers. This is the area in which the cultural identity of a country is developed. It is an area that is very important to the development of students and young people. I remember as a child in elementary school that I knew more about Lincoln and Jefferson than I knew about former prime ministers of Canada such as Macdonald and Laurier. I remember students finding American history more exciting, more dramatic than the dull Canadian history they had to memorize for examinations. A lot of this could be changed if we put more emphasis on areas such as book publishing and writing. In this way we could develop a Canadian society with a distinct culture separate from that of the United States.

Earlier today I mentioned that French Canada is a great exception in this respect. There they have their own language, their own culture, their own writers, their own singers, performers and artists. All of this is a tremendous credit to Canada and to French Canadians. There are many other areas in the social and cultural fields that Canada should act on soon. Today in the House a question was asked by an hon. member about the degree of foreign ownership of hockey teams in the National Hockey League and the WHA. That is another area being exploited by big American business to the detriment of Canadian hockey players and Canadian hockey in general.

• (2040)

I should like to conclude by saying that if we act positively, Canada will be much better off in terms of jobs provided, in terms of planning our economy and the country, and in terms of the wealth we will keep in Canada. We have the funds to develop this country. Any foreign investment that comes in should be debt or loan capital, so that we control all facets of our economy and develop it for the benefit of this country. Only then will we be able to tackle some of the problems of national unity and regional disparity. Only then will we be able to face the problems of unemployment and inflation.

**Mr. Deputy Speaker:** Order. I regret to interrupt the hon. member, but the time allotted to him has expired. The hon. member for York Centre (Mr. Walker).