

Supplementary Borrowing Authority

take it out of their hides by changing the measures with respect to investment tax credit, the inventory allowance or something of that nature. It would not be very hard. The Act could be simplified enormously. If the Minister is worried about revenue, equity and so on, he could simplify the Act and do it right. It is not difficult. All it requires is a little imagination. I say to the Minister that this is the kind of thing we expect from him as a Minister of Finance. He should change that Income Tax Act and make it simpler.

● (2140)

I have taken quite a bit of time, but I do want to mention one more thing, Mr. Speaker. I think it is absolutely essential that the Foreign Investment Review Act be altered. It is ridiculous that I have a constituent who is being prosecuted. He is a Canadian. He happens to own 51 per cent of KCR Limited, a company that imports kerosene heaters. My constituent is now before the Federal Court of Canada because he happens to own 51 per cent of the company. He has \$8,000 in the company, and the American head office has about \$200,000 in the company. The Foreign Investment Review Agency says this is a hidden way for an American to come in and sell kerosene heaters in Canada. There are lots of ways around that problem. I do not see any reason, in the interests of protecting Canadian business and investment, that we should be worried about foreign investment when the amount is less than \$10 million. After all, that is not going to change the makeup of Canada one way or the other. We want investment in the country. We want jobs and we want people doing things in the country. We want people paying income tax and doing things in the social and in the voluntary fields building our country. We really do not have to worry about whether a transaction as small as \$250,000 is foreign-held or Canadian-held. It really does not matter. The thing is that we want to put people to work to get things done. Surely the Minister must realize that when things occur like those that have occurred under the terms of the Foreign Investment Review Act you turn off Canadians and you turn off people who come to Canada to invest and to create.

I say to you, Sir, that it is very important that the Foreign Investment Review Act be altered, and I say to you that a \$10-million threshold limit is appropriate.

I want to say that the budget should be based on a national accounts basis. We are spending in excess of \$90 billion. One dollar out of every \$3 that we take in taxes goes to pay interest. The share of borrowed money represents in excess of 6 per cent of the Gross National Product of the country. We have got to the point where the amount of money expended is some 25 per cent of the GNP on a national accounts basis. The Minister may say that a national accounts basis is not a fair way of looking at it. But I want to point out to the Minister that the Auditor General, in Volume I of the Public Accounts for this year, clearly pointed out that the method by which this Government has been doing its accounting is all wrong. As well, with respect to the Oil Compensation Fund, the Government must now do its accounting to treat those accounts properly in the Public Accounts. I say that the only kind of accounts that we can ever compare are the national accounts.

If we do not compare national accounts, we wind up with peculiar changes that have taken place in the way the budget is kept so budgetary accounts are not comparable from year to year.

This is a serious matter. We are now in excess of 25 per cent of the Gross National Product being handled by this Government. In addition, we have an enormous amount of the Gross National Product that is handled by provincial Governments. Also we have the handling of the accounts of the country by Crown corporations. Well over 50 per cent of the Gross National Product of this country is handled by governments. When my friend in the New Democratic Party says that the problem is that people cannot purchase the goods, I say he is right. The reason people cannot purchase the goods is because the goods are too expensive. Why are the goods too expensive? Because we use so much of our labour, energy, effort and productivity in governing ourselves, that is the reason. Therefore, the cost of everything we produce has to bear the burden of government. No wonder our goods are too expensive and no wonder we are not too productive. No wonder we have problems. What we must do is to lower, not our expectations, but our cost of production. What we must do is to become more productive in that sense. What we must do is to produce more and use less of our energies in governing ourselves and more in reducing the price of what we produce so that we can be more competitive in the world. Until we do that, we will never have enough money in the hands of the consumer to pay for the goods produced. The goods have to be produced less the tax wedge. The cost of the Government's wedge is too high. When that wedge is so high, as high as it is today, we will continue to have massive unemployment and lack of productivity. That is the challenge we face in this country. We will never solve that problem by borrowing more money and trying to borrow our way to prosperity.

Mr. Burghardt: Mr. Speaker, would the Hon. Member for Mississauga South (Mr. Blenkarn) consider a question concerning the remarks that he has just made?

Mr. Blenkarn: Yes, Mr. Speaker.

Mr. Burghardt: Mr. Speaker, earlier in his remarks the Hon. Member referred to the CBC. It seemed to me at least that he was advocating that perhaps the CBC should be done away with. Is the Hon. Member espousing official Conservative policy which advocates the abolition of the CBC? Could the Hon. Member answer yes or no to that question?

Mr. Blenkarn: Mr. Speaker, there are a number of famous questions to which you are asked to answer yes or no. The Applebaum Commission took a look at the cost of producing drama by the CBC and found that it could be produced a good deal cheaper elsewhere. There are a whole lot of things that we are doing in entertainment and broadcasting on a national basis that could be done a lot cheaper, and my hon. friend knows that.

An Hon. Member: Answer the question.