

*Foreign Investment Review*

The private entrepreneur often has all his eggs in one basket. They may be all in his private company. If he dies there is a deemed realization of his assets. You go back to valuation day, and even with the indexing I am talking about, there can well be a gain. That gain is immediately taxable, and the tax becomes instantly payable. We must make positive recommendations for allowances to Canadians so that if this occurs they will have at least ten years, at low interest rates, to pay back the tax chargeable as a result of this death or of a sale.

Efforts must be made to allow investment credits to persons who invest in small Canadian business. This whole matter will be dealt with later by members on this side, but the proposals made by the Leader of the Opposition (Mr. Stanfield), during the election and since, in connection with allowing at least \$5,000 per annum for those who invest in small business, must be given serious consideration as a positive incentive to Canadians to invest in Canada. We must attack the restrictions on business. We must make a conscious effort in this parliament to eliminate as much red tape as possible, as well as other things that adversely affect Canadian business.

The other day a businessman came to see me. He said, "Look, why should I have to file a bond for the sales tax department? After all I have been in business for 15 years, but they still won't trust me." It is about time the government started trusting Canadian businessmen. It is time it said, "You have been a good customer and paid sales tax regularly for 15 years, so we can trust you to remit your tax once a month. We don't require this additional red tape."

We ought to eliminate some of the needless statistics required for Statistics Canada reports. These cost money. They are a disincentive to Canadian business. We must do something, as I said earlier in this session in connection with the Income Tax Act, to make it easier for business to file the returns required on T4 slips, T5 slips, T2 slips, and information in respect of deductions required weekly for employee UIC contributions, the Canada Pension Plan, hospital insurance and the like.

Lastly, we must look into the corporate tax rate. The government has proposed a reduction to 40 per cent of the corporate tax rate for manufacturing corporations. But we find that in the aggregate 58 per cent of manufacturing corporations are owned by foreigners. So, really this particular tax reduction was aimed primarily at assisting foreign corporations by giving them a tax break. This is the policy of the government. That is not the answer. What we should explore is a method whereby Canadian corporations are given a lower tax rate than corporations owned by foreigners. This would encourage Canadians to own corporations in Canada. Our present tax laws are in fact forcing the few multinational corporations owned by Canadians, and operating around the world, to think about leaving Canada.

The publication *Business Week* of March 17 last reported that Massey-Ferguson is seriously considering not retaining its head office location in Canada any longer because of the way in which the Income Tax Act affects foreign investment by our multinational corporations. Several corporations that were Canadian are no longer Canadian. They found that doing business in Canada as

[Mr. Blenkarn.]

Canadian corporations was not profitable. That is no way in which to build Canada, but that is the policy of the Liberal government. The principle "Thou shalt not" upon which this bill operates, is one which should not be encouraged.

This is a bill which provides for penalties, which provides for bureaucrats, which provides for investigations, and which provides for reviews. It is a bill that says, "Give us more policemen." It is not a bill which does anything to encourage anybody. Indeed, it does the opposite. I am sure that is why the NDP and the Liberal party are together here, because they both believe in Big Brother. They both believe that business in itself is bad. They both believe that free enterprise must be controlled and hamstrung. They both believe Canadians cannot be trusted.

Our approach to this bill clearly demonstrates the philosophical difference between our party and what I am going to refer to from now on as the New Liberal Democratic Party. Our party believes in Canadians. Our party will trust Canadians. Our party will give Canadians incentives to build Canada, not just more controls.

Before I sit down, Mr. Speaker, I want to remind you of this minister's record. Look at the Export Development Bank. There is a pile of money there, but where does it go? He makes sure that the foreign owned corporations get their share. Look at the advances to Michelin, Gulf Oil, Douglas Aircraft and IBM. This is the approach of the government with respect to handouts. It will not be the approach of this party when we form the government shortly.

We believe a government of Canada should do everything to ensure that Canadians own their own homes and are able to own shares in Canadian business. We believe in personal, private stakes in Canada, in taxes, in bank borrowing, in development policies and in resource utilization. This party, Mr. Speaker, is the "Canada first" party. This party has been the Canada first party since the days of Macdonald, and this party will continue to be the Canada first party. This party is not the party of big bureaucracy and big control. That is the philosophy of the New Liberal Democratic Party.

**Mr. B. Keith Penner (Thunder Bay):** Mr. Speaker, I am one of those on this side of the House who felt that the foreign takeovers review bill which was presented in the last parliament did not go really far enough. It did not go far enough toward what I consider to be the most important national goal, that is having a Canada which is master in its own house; having a Canada which is in control of its own economy. I mean having control of its own economy, Mr. Speaker, to the maximum extent that is possible in a world which is becoming increasingly interdependent.

• (1600)

The government's response so far to problems involving foreign ownership and control of industry in Canada and of our natural resources, has found only very limited favour with the people of this country. According to one Gallup Poll that was released last September, only 34 per cent indicated satisfaction with the record of action so far. Another 40 per cent were critical of it, and it is the views