

*Foreign Control of Canadian Industries*

Canadian manufacturers in respect to exporting their know-how, to stimulating their interest in export markets, and in reversing the process so that they in turn might licence foreign manufacturers.

This is an area where the provinces and the federal government must work in close harmony. The Ontario initiative displays the kind of understanding so important to solving national issues. I hope the provinces and the federal government will discover the same sense of purpose in the constitutional area and I shall come to that in just a moment.

The Hon. Stanley Randall, in his opening remarks, emphasized the importance of multi-national corporations and asked his audience to think about the multi-national corporation not defensively but in terms of the opportunities it provided because there is no question that the multi-national corporation is here to stay and will be even more important in the future.

What about the federal government's part? There is a place where the federal government could give important assistance to this whole question of the manufacturing licence. I refer to Canadians developing their own technology which they, in turn, could export. I think that exports made by Canadian firms which result from licence agreements between foreign corporations and Canadian firms should receive special encouragement. I would provide this by giving the royalties payable on such sales favourable tax treatment. This would be a way of encouraging Canadian manufacturers to think beyond their domestic markets. Similarly, foreign earnings made by Canadian companies from royalties or engineering fees based on their own research and engineering development should receive special treatment. We now provide for research and development under the I.R.D.I.A. program. This approach to royalties earned on export business or paid on export sales is similar in principle.

I think we should provide incentives for this type of export oriented R & D. This would be a way of saying to Canadian entrepreneurs, export markets are important. Indeed, they are particularly important where Canadian originality is involved.

I should now like to turn to the educational field because I think this is a major area of thrust as far as Canadianism is concerned which has been overlooked. Recently we have been very much reminded of the importance of university professorships. Professors Steel

and Matthews have drawn to the nation's attention the alarming fact that most, or over 50 per cent of all positions held in Canadian universities, are held by non-Canadians.

The *Toronto Star* in a recent editorial indicated that last year we graduated close to 10,000 Canadians with master's degrees or doctorates, yet in that same year less than 4 per cent of our appointments were given to Canadian graduates. In that same year more than 1,000 appointments went to Americans, 545 to British graduates and 722 to academics from other countries. I do not propose to deal further with this point other than to raise it because this is something which the federal government and provincial governments jointly should concern themselves with. I will have more to say about that in a moment.

The second aspect of the educational field which I think is important involves textbook publishing. The Massey commission of the late 1940's and early 1950's concerned itself with what might be described as the cultural instruments of our national identity.

That commission studied the status and health of the arts, of TV, of radio, of periodicals and newspapers. It looked at the artist and spent a few minutes considering general publishing. The commission did not consider or concern itself, as far as I have been able to determine, with that place where this process starts of cultural originality, that is to say with the child—with the field of textbook publishing.

The bald fact is that 70 per cent of all textbooks published and used in Canadian schools—elementary and high schools—are today published by corporations which are foreign controlled. It is quite possible that within a period of years virtually all the textbooks used in Canadian schools from Grade 1 through to the end of university will be published by companies which are foreign controlled. I think this far more important than perhaps some of our other preoccupations with foreign ownership. I think Canadian people think this is important.

If we thought it was important to protect the ownership of our newspapers; if we thought it was important to protect the ownership of our periodicals; if we thought it was important to protect the ownership of our TV and radio stations and if we thought it was important to protect the ownership of our banks, then surely it is equally important to protect the ownership of our textbook publishing industry.