

Foreign Takeovers Review Act

into the business and the rest goes for promotion, and so on. Atlantic, Prudential—do you want more?—Revenue Properties; in all these corporations there is a history of losers.

Mr. Woolliams: Those are Ottawa statistics.

Mr. Otto: Before we can expect great things of this bill we must lay the groundwork and gain the confidence of the country. I think the Canada Development Corporation could be used to ensure the value of certain shares going on the market as is done by the banks. I think the government could have a great voice in tidying up some of the loose strings in our stock exchanges. There is no reason why it should cost \$250,000 for a company to go on the public market here when it costs only \$380 in the United States. There should be a review of regulations for all the provinces which have stock exchanges.

It is time that we set a pattern for proxy votes so that the shareholders would get a better break. If all this were done and we set up some sort of economic policy, I would be inclined to say that this bill would be very good for Canada. Yes, Mr. Speaker, I am going to vote for the bill—

Some hon. Members: Hear, hear!

Mr. Otto: —because one thing that it will do when application forms come to the cabinet is to give the cabinet an inkling of how efficient is the Industrial Development Bank and our financial system. The cabinet will not be able to refuse a sale to an American concern when they see the result and the evidence before them that Canadians are doing nothing. In that way the government would finally have a direct link with the business community.

The bill is a good start, Mr. Speaker but it needs a reasonable and rational environment such as has been accepted by countries like Germany, Japan and the United States. I am sure the hon. gentleman opposite from Calgary is well acquainted with the American stock exchange and Moodies, the bible of all investors, knows how a company goes public in the United States and what the rules for minority shareholders are in that country. I am sure he knows, also, what happens here.

This bill will cause the government to give thought to instituting many reforms in our financial structures and institutions and I think that will be the beginning of Canadians investing in Canada.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the question of national control of the national economy is one that troubles every country in the world. It is the whole reason behind recent upheavals in former colonial countries in their drive for the elimination of foreigners running the country. This is what is behind the hankering of many people to run their own affairs; it is the dislike of those who occupy the land to see their resources exploited and removed with no real benefit to themselves. It has been the policy of those doing the exploiting for many years to pay off the exploited with a little of their own money while making off with most of it themselves.

Some hon. Members: Hear, hear!

[Mr. Otto.]

Mr. Aiken: How does this apply in Canada, and how damaging is it? On the surface we feel that we are running our own country. We have our own Parliament, our own business institutions, banks, investment companies and industry. We find that in some cases when large foreign or international companies establish branch plants here, they send pleasant and accommodating personnel in the higher management and technically skilled categories. They employ a majority of local workmen when possible and train them when they have no trained personnel in this country. They pay good wages in most cases and maintain a high standard of living for their employees.

What is going on under the surface is what we must examine carefully. What is really happening is that hard businessmen are making hard decisions on where most money is to be made in the safest, long range way. It makes no difference whether they are American, Canadian, European or Asian; they operate aggressively to make a profit.

• (2130)

I think that is the point the government has missed in this bill. These people are bound by local rules and must abide by them. They adjust to local requirements. We need in this country firm guidelines, entrenched where possible in legislation, so that the rules may be well known. That is what Canadians want, that is what international business and finance would prefer not to see and that is something they can live with and do live with in many countries of the world. Once they know where they stand, they know how to deal with local situations.

Of course, we Canadians are partly to blame for the situation in which we find ourselves. As a people we have been savers, not investors. People in some other countries are much the same; they are thrifty and inclined to save more than to invest. I can think of several countries like that. The financiers and governments of those countries support a direct policy of investing the local people's money. It is an outgoing investment policy. In other words, the industrial, financial and governmental policy of those countries is directed to using the savings of their people to advance a national policy. I can think of several countries where this sort of policy is prevalent.

The Dutch are one people who are reasonably careful and thrifty, yet their financial institutions and governments are outgoing in carrying out a nationally developed policy of which everyone knows and which is beneficial for the nation as a whole and not just for those who are involved in investing. Canadian financial institutions, banks and governments have the ability to do the same for Canadians. They have not done this, generally speaking, because they were not directed to do it, forced to do it or asked to do it.

Some hon. Members: Hear, hear!

Mr. Aiken: Foreign investors are using the savings of Canadians, deposited in Canadian banks, to take over Canadian companies or to establish new industries in this country.

Some hon. Members: Hear, hear!