

*Employment Support Bill*

ership that we have in Canada today. The hon. member for Duvernay (Mr. Kierans) in his speech to this House yesterday aptly took note of the fact that at present we are playing a role in Canada that has been assigned to us by the United States, in its dominant role in the global economy. One of the tools that the United States is using to maintain the dominant role that it presently plays on the global economic scene and to effect this assigned role for Canada is United States investment in Canada. This role is maintained not through any insidious and conspiratorial decision making on the part of any entrepreneur but, rather, by a process which involves the decisions of many people where certain assumptions come into play. This is reflected in decision-making with regard to economic development in Canada to such an extent that certain developments are given priority on the Canadian scene and certain other developments are downplayed.

● (2:20 p.m.)

There has been concern regarding the actions of United States firms in the present situation. What are United States firms going to do in the present situation? Are they going to maintain their present operations? What will be the actions they take in connection with the legislation now before the House? We are also concerned about our trade relations with the United States. A high percentage of our trade is carried on with that country. Between 65 and 70 per cent of both our exports and imports are with the United States.

I want to make it clear, as I have done on previous occasions in this House, that a great deal of trade with the United States makes good sense. They are our closest neighbour. There are many instances in which it is good economic sense to carry on certain trade with the United States. However, the fact is that today a good deal of the trade carried on with that country is not necessarily because it makes good economic sense or is the best deal Canada can get. It is a case of administrative arrangements involving international and multinational corporations which are thinking primarily of their own corporate interest and not necessarily of the national interests of Canada, the United States or, for that matter, any other country.

The fact is that we have allowed ourselves to get into this position. We did not develop our facilities for growth, capital investment and accumulated savings in this country as we should have. To a great extent, Canadian business has sold us out over the past 25 years. In many cases it has opted for a junior partnership in the large multinational American corporations. It has accepted the role assigned to Canada of supplying raw materials for the American industrial machine.

It might be noted as well, Mr. Speaker, that we have to take account of capital flows into Canada and what takes place in that regard. In his speech to the House of Commons on September 7, as recorded at page 7581 of *Hansard*, the Minister of Finance (Mr. Benson) said:

[Mr. Burton.]

There has also been a substantial decline in the flow of long-term capital into Canada over the past several months, which undoubtedly reflects to some degree the request which I made to provinces, municipalities and corporations to restrict their borrowing abroad to the greatest extent possible because of the upward pressure, at places, on the Canadian dollar.

The Minister of Finance failed to note that there is another reason for the downturn in the actual importation of capital into Canada, namely, that it is no longer necessary for many large multinational corporations to import capital into Canada in order to carry out economic expansion they wish to undertake in this country. In many cases they can raise internally the capital they wish to spend in Canada without in any way reducing the effective control they have over the operations concerned.

We also have to note that the facts of the situation are not, as has been so often painted, that Canada is in such a vulnerable position that we are necessarily a weak nation and have to go on our knees begging to Washington. In many respects the United States is the vulnerable partner with regard to some aspects of the present situation. At the present time the United States is dependent on us for much of its raw materials. In many cases they are conserving what resources they have on hand. This is reflected in the fact that the United States has exempted from the import surcharge a good many of the raw materials that come from Canada.

In this entire area of foreign ownership of the Canadian economy, our dependence on the U.S. economy and economic events in the United States, we have seen a very notable absence of government policy. Of course, we have been promised the long-awaited policy statement, action or white paper. We are not quite clear what it will be and I am not sure whether the government is clear what will be forthcoming. That is not clear. It seems that tomorrow gets further away all the time. However, the fact is that the government has promised a policy statement and action in this field, but nothing has been forthcoming.

It seems that we continually have new developments which eclipse one situation after the other. At the same time, the Canadian government goes on with its business as though nothing has happened. For example, the Department of Regional Economic Expansion continues to make large, giveaway cash subsidy grants to foreign owned firms in order to carry out expansion or to undertake new operations in Canada. The government continues this policy in spite of the concern that is held in Canada, concern which the government and members of the government have expressed on various occasions. There is no indication that they are going to stop. I suggest the government must stop such policies.

Is the government suggesting that we do not have any alternative or any means to carry out the developments that are needed in various parts of the country and the improvements that are needed in many industries. If that is the case, what is the purpose of the Canada Development Corporation? If anyone suggests that this new instrument is inadequate in the way that its policy has been structured, I have to agree. However, if some of the