

Churchbridge, towns with populations of between 1,500 and 3,500, where workers have had to sell their homes at prices considerably below building costs because they were thrown out of work, there being only one major industry in the town and few people to buy their homes. If the mines had been Canadian owned, perhaps it would not have been necessary to cut production from 100 per cent to 50 per cent of capacity. Perhaps Canadian workers would have been given the chance to retain their jobs. I may also add that there are chances of obtaining markets for potash in China and perhaps other Communist countries. Because such action would violate the Trading with the Enemy Act, we possibly cannot sell potash to some of these countries. That is another consequence of foreign ownership in our economy, and one that is real to the working people of this country.

• (1530)

There are many other specific cases where jobs in this country are lost because of the fact that so much of our economy is foreign owned. One is in the area of research and development. Many of our scientists must go to the United States and other countries to find jobs because not much research, study and development is done in Canada. Obviously it is done where the parent company is located. All too often that is not in our own country.

I now wish to move to another area I mentioned a few moments ago. I refer to the dollars that go out of our country as a result of foreign ownership in Canada. A report was issued a short time ago by the United States department of commerce. This report stated that between 1960 and 1967 parent companies took \$2 billion more from their subsidiaries in this country than they contributed. In other words, \$2 billion more went out of Canada than came into this country in terms of new investment.

I wish to refer to another study that was conducted by the United States department of commerce. I wish to quote from an article that appeared in a January 1971 issue of the *Toronto Star*. The headline is "U.S. economist admits Canada being bought out with her own money". I wish to quote a couple of paragraphs from that article which is datelined Washington:

A United States government economist who took a survey of U.S. subsidiary companies' operations in Canada, yesterday said New Democratic Party Leader T. C. Douglas was probably right when he said that 94 per cent of U.S. subsidiaries' investment in Canada is effected with Canadian funds.

Douglas told the Commons Tuesday he had seen the figure in the report of a survey undertaken by the U.S. Department of Commerce. The survey was done by department economist R. David Belli.

Yesterday, Belli said in an interview that by a series of statistical deductions from charts he used in his survey, a figure of "something like 94 per cent" could be arrived at—

The report of Belli's survey was published in the November issue of a commerce department magazine called *Survey of Current Business*—

The survey was based on the annual reports of about 450 U.S. parent companies covering roughly 4,000 foreign affiliates, all over the world.

This report from the American department of commerce states that something like 94 per cent of the money invested in this country by American corporations is actually Canadian money. What does he mean by this? He

### *Foreign Takeovers Review Act*

means that the foreign companies come in, reinvest their profits from plants they already have here or invest money which they borrow from Canadian banks or financial institutions, the savings of individual Canadians, and expand their plants in that way. They are not really investing much new money in Canada. They are investing our money to expand their interests in our country. They are buying us out with our own money. This situation is like a Canadian inviting his neighbour into his house and, when he gets there, saying to him that there are no rules or regulations, take what you want, the television set, the car or the wife and do what you want with them. It is like telling him there are no regulations, to go ahead and do what he wants and we will pay him for it. In many ways, that is what this country is doing in terms of American investment.

The American corporations and government realize this. I suggest that many average Americans wonder why we are such fools, and why we have the wool pulled over our eyes without doing something about it. These are areas we should be acting on now, instead of trying to hide behind a bill like this that will not create a ripple in the ocean of problems that we have.

Another point I want to make in terms of the wealth that comes into this country is to distinguish between loan capital and equity capital. I believe the hon. member for Crowfoot (Mr. Horner) and members of the Social Credit party the other day made reference to the fact that some NDP governments go to the United States to borrow money. In many cases this is true, but I suggest there is a difference between loan capital and equity capital. Once you pay off a loan, which is like paying off a mortgage on a house, you own the industry. Canada has not done this. Every country in the world, at some stage in its development, needs foreign capital. However, most countries borrow money and, after a certain period of time, pay off the loan and own the industry.

When the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was the premier of my province, I believe the province borrowed foreign money for the Saskatchewan Power Corporation. If I am not mistaken, it was probably several hundred million dollars. After a period of time, that loan was paid off and the people of Saskatchewan now own the Saskatchewan Power Corporation. It serves them; they control it and any profits that are made are kept in Saskatchewan for the people of that province. The thing I would like to make very clear is that there is a difference between loan capital and equity capital.

Some members are deliberately trying to mislead the Canadian people when they say there is no difference and refuse to look at the facts. In years to come, it will be obvious that certain parts of this country will need foreign money. However, we should distinguish very clearly and carefully between loan capital and equity capital. After we have made a series of payments, we should own the industry. We do not want it to be owned by some wealthy American sitting in Florida, Los Angeles or wherever he may be.

I want to say that Canada does have the money. I have confidence in this country, even though the minister does not. We can develop our country. As the United States