

living of the average Canadian. There are, therefore, positive nationalists and negative nationalists.

In a world of economic change and challenge where Canada has much to gain but even more to lose, it would be unfortunate if this nation embraced a form of negative nationalism. The exponents of negative nationalism have one thing in common; they are anti-foreign and, in particular, anti-U.S. They link this attitude with being pro-Canadian in most cases. Within this group there are Socialists, such as we have to my left, and so-called free enterprisers, although I doubt this very much, in front of us. The Socialists see an opportunity to mobilize grass roots sentimental nationalism to help promote their new radicalism. Their goal is a socialist Canada.

The non-Socialists speak of an independent Canada in terms of minimizing international involvement, but they are parochial minded. The challenge of today's multinational commerce, which so many Canadians are meeting successfully, is not for them. In rather emotional arguments these negative nationalists take statistics on foreign ownership and use them out of context in an alarming way. They allege that various types of ownership are harmful without meaningful proof. They fail to appreciate Canada's involvement in today's multinational world economy and they put forth no creditable alternatives to replace what they would destroy.

I am a positive nationalist I am proud of Canada and what we have done in the business world, but I believe that we can do much better. We are in a world of opportunity but we have a coalition government which does not understand the economic world of today. Most importantly, this government is giving no leadership to our businessmen to assist them in coping with today's world economy.

Let there be no mistake; Canada's multinational corporate activity throughout the world is impressive. We are the second largest foreign investor in United States industry, Great Britain being the first. Canadian multinational corporations with sales over \$20 billion per year transact business throughout the world in a manner similar to foreign multinational company activity here. These companies include the Moore Corporation, Limited, which does approximately 88 per cent of its \$450 million business in the United States, with less than 10 per cent of its business in Canada. Hiram Walker-Gooderham & Worts, Ltd. and Distillers Corporation-Seagrams Limited, with a combined sales volume of over \$2.2 billion has 90 per cent of its business outside Canada, mainly in the United States. Alcan, with total sales of \$1.4 billion, does most of its business outside of Canada, with only 12 per cent conducted here.

In the merchandising field, the 15th largest retailing concern in the United States, National Tea of Chicago, with sales of \$1.6 billion, is controlled by George Weston Limited of Toronto. There are at least 100 such multinational Canadian manufacturing, retailing or other corporations active around the world, including our airlines, shipping concerns, mining companies and banks.

Our banks, for example, have 286 branches in some 35 foreign countries, including the United States, Great Britain and France. Currently, approximately 25 per cent of their total assets, of some \$63 billion, are involved in

foreign banking activity, and five of our banks are among the 50 largest in the world.

Our life insurance companies are also active internationally. In 1970 over 32 per cent of their business in force, which totalled \$119 billion, was in countries outside Canada. Such Canadian life companies held \$5.1 billion in foreign investment in 1970. Canada's position in the multinational world economy is also reflected in Fortune directory. Of the 300 largest industries outside the United States, Canada ranks fifth behind Japan, the United Kingdom, France and West Germany. Each of these countries, of course, has substantially larger gross national products than we have in Canada. We now stand fifth, but we Progressive Conservatives believe that we can improve our position in relation to this large multinational corporation activity in the world.

At the present time we have 17 corporations listed among the top 300 outside the United States. If we had a pro rata share we would have 30, and I would like to see this country top that goal instead of allowing negative nationalism to take hold. That has been the case put forth by our Minister of Industry, Trade and Commerce.

Multinational corporate activity is reciprocal. We cannot expect to remain active in foreign lands if we choose to become more and more restrictive at home. With foresight, Canadians can continue to tap the world market and, in particular, the OECD countries with their combined \$2,000 billion GNP. Unfortunately, this government, which has been in existence since 1963, has not seen fit to cope adequately with this important issue in Canada. In 1963 they brought in legislation which was subsequently taken advantage of by Union Carbide Canada Limited. This legislation provided that if 25 per cent or more of the stock of a foreign-owned subsidiary was sold to Canadians it would receive a beneficial tax position in Canada. The sad fact is that \$60 million in stock was sold by Union Carbide at \$24 per share in 1964. Today that stock sells for \$17.50 per share. That is what happens to Canadian investors under the leadership of this Liberal government. I sincerely hope that the present trend of this government will not result in further losses to Canadians, either directly or indirectly.

Encouraging multinational companies to sell and Canadians to purchase minority interests in foreign subsidiaries does not put any important power into the hands of Canadians and, in fact, may cause the foreign parent to divert attention and business from the Canadian subsidiary which is no longer 100 per cent wholly owned.

If we were interested in doing something more effective, and if we use the 5 per cent reference in the bill now before us, we could take \$150 million, and buy equity in the parent Union Carbide Corporation of the United States and that amount would probably give us effective control of that foreign multinational corporation. Surely that would be more constructive than buying a minority interest in their subsidiary. We would have ownership in Canada of the 25th largest multinational corporation of the United States. That is the kind of vision and the type of thrust which I believe we in Canada are capable of if given the leadership. Canada historically has been an internationally oriented country. We have done well with such orientation. We can do better. Multinationalism is an