

*Natural Resources—Development*

next 25 years, has indeed become something in which the government shows but little interest. Is it because with regard to national development, with regard to the criticisms of this party, respecting not American investment in Canada but the degree to which the investment in Canada by foreign corporations was uncontrolled for the benefit of Canada, we in this party advocated and now advocate a national policy that will provide a dynamic influence in the economy, that will have a sense of national purpose and national destiny.

We do not want a day-to-day course wherein there are great developments in Canada depending on the world situation, but a plan; not a planned economy but a national policy; not a policy of nationalism but one whereby Canada in the days ahead will remain an independent Canada and will not inexorably drift into economic continentalism; one whereby Canada will maintain her economic independence and her sovereignty; a policy that will provide national development for a greater Canada in which growth and prosperity will not be purchased at the expense of our economic independence and our effective national sovereignty.

When we said these things and warned of these dangers in past years, we were met by a contemptuous attitude on the part of the government. Today as one reads the Gordon report one can only conclude that Mr. Gordon and the outstanding group associated with him found that there was a solid basis for the amendments which we moved and the courses which we suggested. Our attitude was misinterpreted. It was said that we were opposed to a flow of foreign investment. Over and over again we took our stand on that matter. We said it was necessary, that it was part of our development; but we pointed out that the Canadian share of ownership and control was declining in certain mining, smelting and petroleum industries and in certain manufacturing industries. We pointed out that, as realists, we understood that if foreign investment were to stop or to be seriously hampered, a serious if not deadly blow would be struck at our development.

We did not object to United States investment but we asked for a positive national policy which would prevent foreign investment from furthering the process of continental economic integration and ultimately undermining our national identity. We said we wanted to encourage foreign concerns to develop more Canadian interests and character in their operations. We wanted them to sell equity interests in Canada. The ministers of the government ridiculed our suggestions at that time. We said that Canadians

should be on boards of directors and that Canadians should have the opportunity of investing in industries operating in Canada. We pointed out that it was possible if not likely that foreign corporations operating here would have in mind at all times not Canadian considerations or Canada's public welfare. We contended that if foreign investment were to remain predominant in our resource industries this country of ours, with its almost fathomless resources, would come to have a purely extractive national economy supplying the materials for other nations to process and to turn to useful purposes.

Those were some of the questions that were raised. We said it was not in keeping with Canada's destiny that foreign industry should have almost absolute power and control over many enterprises in our country; that in many cases Canadians were denied having more than token interest in those companies. We suggested that there should be an opportunity of a greater participation in those companies by Canadians and a voice in sharing in the destiny of important sectors of our economy and in particular among those extractive industries to which I have made reference.

Those were the views that were expressed. Those were the views that, by the Minister of Trade and Commerce (Mr. Howe) last July, were categorized as some of the greatest rot he had ever heard. Mr. Speaker, I am going to read some of the suggestions made by this party on July 9, 1956 and which, in the light of subsequent events and an analysis of the Gordon commission report, now stand out as being approved by that commission as justifiable criticism of the situation then prevailing. I am going to quote for a moment what Mr. Drew said at that time in a speech in which he set out the views of this party on this question, and in particular in connection with the financial expansion from the United States into Canada and the interlocking economy created as a result. He raised certain points and in particular, as reported at page 5777 of *Hansard*, July 9, 1956 he set out some of the results of the situation which had developed:

1. A heavy net outflow of interest and dividends increases the amount of goods which have to be shipped abroad to raise the necessary foreign exchange. In other words, the profits are drained out of the country and the amount of goods which can be imported at any given level proportionately reduced.

2. Foreign interests control the pricing policies of their Canadian subsidiaries in a way that could be a great disadvantage to the Canadian consumer.

3. Foreign financial control is in a position to decide the extent and the form of the operations of their Canadian subsidiaries, and they can use earnings from their Canadian subsidiaries to finance expansion of plants outside of Canada.