

Foreign Control of Canadian Industries

Mr. Benson: If my hon. friend would listen he would hear.

Mr. Crouse: I was listening but you were mumbling through your teeth so that I could not hear.

Mr. Speaker: Order, please. The minister has the floor and the hon. member will have an opportunity to make a speech later in the debate.

Mr. Benson: As hon. members are aware, I am concentrating my attention on budget preparations and on the white paper on taxation which I hope to get out some time in the coming summer. I had hoped to get it out by the end of June, but as I have indicated this will be impossible. This may make it impossible to bring the Canada Development Corporation bill before the house prior to the end of this session and certainly, because of the limited number of government days we have left, before the end of June. I think it will be impossible to deal with the Canada Development Corporation before the summer recess.

I can assure the house that there will be an opportunity for a thorough and profitable debate on this measure, and that those interested in the motion now before the house will have an opportunity to offer some comments in a practical context. I hope that when this corporation is established it will have a role in regard to proposed takeovers of Canadian enterprises. It will be a matter for the directors of the corporation to decide in a particular case whether they wish to invest in a particular corporation.

Mr. Lewis: Who will be the directors?

Mr. Benson: In any such case their judgment will have to take into account the very wide range of complex facts that relate to a particular firm's position and to the Canadian interest in maintaining the Canadian identity of the firm in question. It is not our intention to have the Canada Development Corporation invest in businesses which do not provide a growth potential in order to call them Canadian. I think members should realize that the Canadian government is the biggest partner in every business in Canada. We collect in conjunction with the provinces 50 per cent of the profits of corporations and we get our 50 per cent of those profits in cash, whereas businesses often have to invest their 50 per cent in inventory and other means of expansion. We are vitally involved in every corporation that operates in this country.

I have quite deliberately, by treating the motion in broad terms, endeavoured to make

[Mr. Crouse.]

clear that we do recognize, as did the Watkins task force, that there are real problems but also real benefits arising from the decisions of foreign corporations to enter into economic activity in Canada. As for the proposed takeover of the financial firm which has, I assume, triggered this discussion, I should like to say only two things. The first is that I did comment on this matter on Tuesday and indicated then that I would make a statement at a later date. That remains my intention. Clearly the implications of the takeover of a financial intermediary such as Royal Securities by a foreign firm are bound to be considered very carefully because they are of real significance in Canada. It is for this reason I do not propose to make a more definitive statement now when it would be premature, and certainly not until we have had adequate time to consider the implications of the views and actions both of the stock exchanges and of the other governments which have a responsibility in this area.

In closing, Mr. Speaker, I should like to say that I believe, as does the hon. member for York South, in national unity and the right to determine our own future, and that this is of vital importance to all the people of Canada, including every member of this assembly. I also believe that Canada can control its own future but that there is a problem existing in respect of foreign ownership. I believe we have to continue to look at the situation as it develops and determine what course of action can be taken in order to deal with this problem.

● (4:00 p.m.)

However, I would like to point out once again the jurisdictional difficulty in Canada, compared with a unitary state, in dealing with a problem of this kind. I am sure you could not get unanimity among the provinces as to any particular action with regard to dealing with foreign investment in our country. I would like to compliment Professor Watkins on the preparation of his report, which I think in general is a very good report. However, some of the ideas in it just will not work in my opinion and therefore they will not be adopted.

Mr. Lewis: Why don't you compliment him by adopting the report?

Mr. Benson: We have started to adopt some of the ideas in the report, as my hon. friend would learn if he took the trouble to read the legislation introduced into the house last Thursday.