

Mr. Stanfield: Surely, there are many moves which could be made. In concert with the provinces, the federal government could assist schools of business and business organizations to develop and maintain a resource of entrepreneurial and management talent. Financial assistance could be offered to new firms in key sectors of the economy to help them import technology and management contracts. Revisions in the Bank Act could be considered in order to encourage the development of a merchant banking system which could provide venture capital.

Some hon. Members: Hear, hear!

Mr. Stanfield: Incentives could be offered to encourage greater employee participation in the ownership of companies.

Some hon. Members: Hear, hear!

Mr. Stanfield: There is a whole range of ideas waiting to be tested. But, first of all, we must be in the right frame of mind to think about them. And we must get ourselves into the right frame of reference in order to do something about them. I believe the right frame of mind is not the kind of introspective philosophizing which has characterized the mood of the present government. The right frame of reference is not the kind of ad hoc experimentation and harrassment in which this government has indulged. I do believe there is in this country a real hunger for planned action. I believe Canadians wish to compete and participate more than they want to restrict. This government is not giving them the opportunity. It is not giving them the opportunity today. Fortunately, there is a real prospect of Canadians having, in the not very distant future, a government which will give them that opportunity.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, no wonder the government was reluctant to present this policy. It knew that its policy added up to one big zero as far as control of the Canadian economy is concerned. We have been told by the Prime Minister (Mr. Trudeau) and we were told by the minister who spoke this afternoon, that what the government intended to present was a policy on foreign investment. This is nothing of the sort. It is a hoax. It is a tragedy for Canada. It does not deal with foreign investment. It does not deal with foreign control. It deals with nothing which is of consequence in relation to regaining control over Canada's economy.

Some hon. Members: Hear, hear!

Mr. Lewis: Right across this country there are thousands of Canadians growing increasingly concerned about the domination of our economy from abroad, particularly from the United States, and thousands of Canadians across this country have been awaiting a statement from the government which would hold out some hope that we might regain control over our economy and bring it back into the hands of Canada and Canadians. What has been presented today ought to make even this government ashamed of its lack of imagination and its lack of courage. I cannot but conclude that members of the government were not ready to do anything decisive

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about the 95 corporations which provide them with the financing so necessary to them at election time.

Some hon Members: Shame!

Mr. Lewis: The fact is that the document which has been tabled by the minister and which is a carefully edited version of the one published in the *Canadian Forum*, as far as I have been able to ascertain in the brief time available to me, points out that the areas to be covered, if anything effective is to be done, must not only include surveillance of takeovers of Canadian firms. It must also include what is called in the report—and I do not know why plain English could not have been used—“new enterprises established from an external base”. As to the definition, I suspect it means what is stated in the brackets—foreign companies making direct investment in Canada for the first time. Or, I would add, foreign companies making direct investment in Canada for the second, the third, or the fourth or the fifth time. Or new licencing and franchising arrangements, or major new investments by existing foreign controlled companies. Or existing foreign controlled companies, even if they are not planning major new investments.

All these areas must at least be touched on in any policy to deal with foreign investment. To deal only with foreign take-overs is a betrayal of what we had all waited for and expected. In the *Canadian Forum* edition of the Gray report I have not been able to find this passage in the report tabled during the brief examination I have had time to make. What the Minister of National Revenue (Mr. Gray) is reported to have said in the original edition I have not found. I hope it is here, but I have not found it.

There are at least three reasons for screening the expansion of existing foreign controlled firms. First, they constitute a large and growing segment of the Canadian manufacturing and resource industries. A foreign ownership policy which ignores this fact could be ineffective as a means of increasing domestic control of the national economic environment. Second, existing foreign controlled corporations could be used to circumvent the screening agency. If a would-be foreign entrant wants to avoid screening he might be able to make an arrangement with a foreign firm presently in Canada, either one that it owns or one belonging to another foreigner, to undertake the new project, perhaps in an entirely unrelated industry.

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Lastly, the bargaining strength of the agency might be reduced if applicants can point to existing competitors who are not subject to the various constraints on behaviour by virtue of having entered prior to the policy coming into force.

On another page that report said in a single sentence what I have been trying to emphasize, that the failure to screen expansion into new industries could lead to easy circumvention of the screening process. The fact is that the policy announced by the minister has nothing to do with the expansion of existing firms into new areas and new industries. It has nothing to do with direct foreign investment coming into Canada and it does nothing to increase Canadian ownership in any of the areas with which we are concerned.

Furthermore, it is not a screening agency such as was suggested in the task force report of 1968 which proposed a monitoring or screening agency that would be responsible to a new ministry. We do not have that. The Minister