

poration. What will happen if the new corporation is to do business in an already overcrowded field? What would happen, for instance, if a tire manufacturer were to establish himself in this way? At present, virtually every United States tire manufacturer operates in this country, as well as one from France. The tire manufacturing field is already overcrowded. Permitting industries to be established in an already overcrowded field and thereby permitting an even greater fragmentation of such industries would work a disservice to the Canadian economy. It would not be a benefit.

Also, a company could say, "Fine; although we are not allowed to take over a company, we will set up in competition to it and drive it out of business." That company may have a thousand times the assets of its competitor; it could lower the price of a commodity and drive its competitor out of business. Actually, big, foreign corporations have available so many options that the takeover route is sometimes the kindest of all and may be preferred to driving another company out of business. How will the government decide, when faced with such situations, if foreign corporations are or are not to be allowed to operate in this country? I do not think the government will be able to decide in these matters. I think it will rubberstamp every request for a takeover that comes before it.

In opening the debate for my party, my leader made an interesting suggestion that has been made by others. He suggested that we ought to use the money in our foreign exchange reserve fund to buy back some Canadian companies. This would accomplish a number of things. There is approximately \$5 billion in the fund. It is a source of embarrassment to us. If we took that \$5 billion and went to the New York Stock Exchange, say, and began buying shares in some American corporations or repatriating foreign obligations, we should obtain a number of benefits. First, we would rid ourselves of that embarrassing fund of money that is not doing us any good. I am, of course, talking about our foreign exchange reserves. If we were to participate in this kind of "buy back", we should lower the value of the Canadian dollar and stimulate manufacturing in this country. Of course, no doubt some hon. members think that this is such an unusual scheme that it has not been tried. Well, let me say Japan is carrying on a somewhat similar policy. Japan is in a position similar to Canada's, in that Japanese currency is appreciating rapidly. This has resulted in unemployment and in pressures being exerted in that society. That country also has some foreign debt. It is taking money that has been built up in its foreign exchange reserves and is repatriating that foreign debt. I think we can do much the same. Let us use imagination and exercise courage.

It is important to plan because, today, ownership is not as important as it once was—at least, it is not all that important. Whether companies are foreign-owned, domestically owned, publicly owned or privately owned, power in a democratic country, as people become more involved in the political process and understand better what is happening in politics, rests more with the people. It is the government of Canada, by and large, that possesses overwhelming power, not General Motors. We have recently witnessed confrontation between the public power and private power. We must not be confused merely because the government has backed down. Sometimes, it chooses

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to back down. When the government does not choose to back down in a confrontation with the private sector, the government, exercising the power of the people through representatives elected to Parliament, wins. We have seen this often. More important than legislation such as we are now discussing is the willingness of the government to act when the clear necessity arises to act within the context of an over-all plan.

Some foreign ownership, I think, may be advantageous for us. I think of some areas in which foreign ownership is helpful. To the extent that it is helpful for this nation, I say, why should it not be permitted here. On the other hand, much foreign ownership is not of advantage to Canada. You know, the old idea "The more foreign ownership, the better" has caused us lots of trouble. We can no longer make that assumption. What we have to do from here on is ask foreign ownership to make its case because a case has not been made with the philosophy of the more foreign ownership the better. This is creating a lot of difficulties for this country.

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We should be prepared to look at foreign ownership, but first it has to make its case, not just on a takeover because that does not relate to anything. It has to make its case in terms of its expansion from the use of internal funds and with regard to whether it is going to open a new factory. We have never before asked that that be done. We have not created a framework whereby we can judge the case it is trying to make or created a mechanism whereby we can tell what benefit to Canada their operations will be.

We all know that no country is completely free. As much as I would like to see it completely free, with no strings attached, just as I as an individual would like to be completely free with no strings attached, there is not this kind of complete freedom for anyone or any country. We want a world where we are interrelated, have some concern for each other and want to help each other. There is going to be some interdependence. The crucial question is not whether we are totally free, but the extent to which in this kind of interlocking world we can preserve the maximum freedom to pursue our own objectives. That is becoming more and more difficult with the high degree of foreign ownership in this country.

This government does not seem to have the foggiest notion about how to proceed with the problem of foreign ownership. On one hand, they bring in this legislation which states that any company with assets in excess of \$250,000 under takeover threat is going to be examined. How do you determine that? There are many ways this can be hidden from the government if a company so chooses. The corporations Act does not call for the disclosure at the \$250,000 level. It must be in the millions before disclosure is required. The Canada Development Corporation cannot step in and take such action. It cannot purchase anything unless the assets are in excess of \$1 million.

We had the Unemployment Assistance Act. When the government of the United States imposed a 10 per cent surtax, instead of taking other action that was open to it, this government, in a panic, said "Don't worry about it. If you lose any benefit, we will give you a benefit. We will up