

would produce a profit, and it should be designed on that basis. That should certainly be one of the approaches used whenever it is considered to be the best one for a particular problem. However, it seems that the government is locking itself in the present structure which it is proposing for the Canada Development Corporation. As the corporation is to be constituted, the first, second and last objective will be to produce a profit.

One of the concerns that has resulted in this legislation being placed before the House is that we have a very real problem in Canada today in terms of the high degree of foreign ownership that exists in the Canadian economy. I do not need to quote figures this afternoon indicating the percentages of various sectors of the Canadian economy which are controlled by foreign interests, whether American or others. This process has gone so far down the road that we now have United States economists and other officials admitting that Canada is now being bought out with its own money. This is demonstrated in a recent study published by the United States department of commerce. It shows that 94 per cent of the capital generated by United States corporations in Canada in 1968 was generated through profits, retained earnings, depreciation or the raising of loan capital within Canada. It is quite likely that today the figure is closer to 100 per cent. This indicates how far we have gone.

This situation has developed because of the absence of a government policy on this question. We have been promised such a policy for weeks and months. There is increasing concern about this matter. The rate of takeover of Canadian concerns by foreign controlled companies is increasing. On a number of occasions in this House I, and other members, have asked whether we would have an interim policy until the government decides on a final policy. The Prime Minister (Mr. Trudeau) shrugs it off. I see no reason why we cannot have a moratorium on any further takeovers until such time as the government is able to decide on a policy which it can present to this House and the people of Canada. Instead, we find the Prime Minister engaged in some rather devious attempts to lead the Canadian people off the trail of the power issue.

When speaking in Regina recently the Prime Minister attempted to suggest it was just those fellows from Toronto, Watkins, Gordon and others, who are concerned about this matter. He stated there is a problem in some of the lesser developed regions in Canada, such as the Atlantic provinces, Quebec and parts of western Canada, but we would not have as high a rate of development if we were to place restrictions on foreign ownership. Perhaps that would happen; I acknowledge there is a problem. This could possibly happen with a Liberal government and its typical lack of policies for dealing with some of these problems.

Mr. Osler: What would your answer be?

Mr. Burton: I have been attempting to suggest it. The Canada Development Corporation, as a Crown corporation, would be one of the major instruments to be used in

Canada Development Corporation

a sound regional developmental policy in Canada. It would safeguard the public interest in developing the lesser developed regions of Canada.

• (2:50 p.m.)

I find that even a few Liberals are becoming concerned about what is happening. I note an article which appeared in the *Ottawa Citizen* of February 17. In substance, it is a report of an interview with Mr. Walter Gordon, a former minister of finance. Since parts of it are relevant to the debate today, I should like to quote from it. The article is by Duart Farquharson, and reads:

Former Liberal finance minister Walter Gordon is having second thoughts about the Trudeau government's evolving position on economic nationalism following an attack on him by the Prime Minister in Regina.

"I think I know where he stands," Mr. Gordon told Southam News Services in an interview Tuesday. "Either he has changed his mind, or I'm a very surprised person."

An hon. Member: I hope he changed his mind.

Mr. Burton: Mr. Gordon then goes on to refer to some of the remarks made by the Prime Minister when he spoke in Regina. According to the writer of this article, a tape of Mr. Trudeau's remarks in Regina has him saying this about economic nationalism, in part:

There is this constant tradeoff between those parts of Canada which are already fairly developed like the central provinces, and particularly Ontario.

And that's where you find the Melville Watkins and the Walter Gordons who think that enough is enough and they don't want any more foreign capital to develop their province, but they don't always realize that other parts of Canada have not developed that far and therefore they would not mind a little bit of foreign capital if it means there is more technological progress and higher standards of living and so on.

Mr. Pepin: And what's wrong with that?

Mr. Burton: The fact is the Prime Minister (Mr. Trudeau) is attempting to play one part of the country off against the others.

Some hon. Members: Oh.

Mr. Burton: The first question which should be asked of the Prime Minister, this man who has made such a pitch concerning Canadian unity, is: what has been the result to date of the faith he places in private enterprise to do a job which has led to the type of inequity which exists in the Canadian economy today? If the Prime Minister were to rely on the absence of policy we have known in the past, there would be problems. He has totally failed to recognize the basic point that the Canada Development Corporation could be used as a major instrument for ensuring an adequate degree of development in all regions of Canada.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, on an important issue such as this, it is a tragedy that the sole representative of the financial side of the government present today should be the Minister of Industry, Trade and Commerce (Mr. Pepin).

An hon. Member: What's wrong with him?