

Chapter 37—Foreign Ownership and Canadian Independence

RECOMMENDATIONS

103. The power of the Federal Parliament with respect to aliens should be clarified to ensure that Parliament has paramount power to deal with problems of foreign ownership.
104. The Federal Parliament should have the clear power to nationalize industry and expropriate land threatened by foreign takeovers or control contrary to the national interest.
105. The Federal Parliament should have jurisdiction over citizenship, and that power should include the power to promote national unity and a national spirit and to create institutions for these purposes.

Throughout the hearings of the Committee there was a recurring concern for Canadian independence, sovereignty, unity and identity. Certain witnesses expressed their alarm over the large percentage of Canadian land, resources and industry owned by non-Canadians and especially by Americans. They referred to our recreation land, our mining, oil and gas industries, our publishing and text-book industries, etc. It was established that American investment is 80% of the total foreign investment in Canada and that 76% of all companies in Canada with assets over \$25 million are foreign owned. Fears were expressed that Canadian citizens might lose political as well as economic control of their own country; that they would be barred from the best jobs and the best land; that they would be run by absentee landlords; and that Canadian people and resources would be working for the enrichment of other peoples and other lands.

This concern over the economic domination of our country can be closely related to other concerns expressed before the Committee, such as the lack of national unity and a vigorous national purpose, the tendency to regionalism, the proliferation of hyphenated Canadians who cling to the nationality or symbols of their mother countries, misunderstanding and differences between French-speaking and English-speaking Canadians, old and new Canadians, older and younger Canadians, native born Canadians and immigrants. As a multicultural country, it is all the more important for Canada to insist on a substratum of national unity. Unless Canadians do develop a definite solidarity among themselves and a conscious attachment to their country, territory and resources, they will not be able to deal with the threat of foreign economic domination and may not survive as a

nation. There must be not only a regional solidarity and attachment, but a national one. All Canadians must consider themselves undivided owners of all Canadian territory and partners or trustees in its management. There should be no second-class citizens and all must feel at home in every part of the land. To develop a positive nationalism we must know more about our country and each other. We must take more interest in our history, our music, our arts, our national institutions and associations. On our success in these things our independence, our sovereignty and our unity will depend. We shall become "masters of our own house" in Canada.

It is proper to ask what the constitutional implications of these concerns and aspirations are. With respect to national unity, national symbols and national powers, there is no doubt. We have discussed these in other chapters. Here, however, we must emphasize that these matters cannot be discussed in isolation. They are closely related to the problems of foreign ownership and of economic and political independence. Without Canadian institutions to promote a Canadian national spirit, there will be no political will to act resolutely against foreign ownership. Consequently, the Federal Parliament must have the necessary powers to deal with all aspects of political and economic independence.

There was some discussion by witnesses as to whether or not the Federal Parliament did have such powers. Witnesses pointed out that jurisdiction over land and resources is overwhelmingly Provincial, while naturalization and aliens and citizenship are Federal responsibilities. There is some uncertainty, however, as to how effectively the powers over aliens and citizenship could be used to control foreign corporations, investors, and entrepreneurs operating in Canada. While Section 24(1) of the Canadian Citizenship Act does set out certain rights for aliens and asserts that they can hold property, this jurisdictional head of the B.N.A. Act has never been much used. In a sense the Provinces partially occupy the field through the enactment of mortmain acts and other similar measures. Consequently, while the Federal use of the power over aliens could be pushed to greater limits, it might not prevail over Provincial powers, especially those relating to land and resources. This uncertainty is compounded by the disagreements relating to the Federal treaty-making power and international relations.

We therefore recommend that the Federal power with respect to aliens be clarified so that the Federal Parliament would have, beyond any dispute, paramount power