

Foreign Takeovers Review Act

tax which could have prevented some of the problems we are now attempting to wrestle with and which we have been discussing. Following that, Mr. Gordon and some of his associates had to determine a course of action. Eventually they appointed a committee which produced what has become known as the Watkins report, which made a number of proposals to assist in attaining more effective control of the Canadian economy. These proposals were rejected by the government of the day.

Then we had proposals for a Canada Development Corporation. They really originated with the policy convention of the NDP in 1961. Subsequently this idea was picked up by a number of people, but with some variations. One of those people was Walter Gordon. He presented some proposals in this regard. They were shot down. A bill was presented to the House of Commons while he was minister of finance but never saw the light of day beyond its introduction.

Finally, in 1971 we had a bill to establish the Canada Development Corporation. I am sure most people were looking forward to a creative and imaginative proposal. I suggest it was nothing of the sort. We established an institution, a new corporation, and it was set out clearly that it was to be profit-oriented, that it would be privately controlled and that the government's stake in the corporation after it was established was to be limited to 10 per cent. This new instrument as established cannot be, as it develops its operations, an effective instrument for developing our national development policy. The measures which have been enacted cannot change the course of foreign investment, foreign ownership and foreign control of the Canadian economy.

• (2050)

As a result of a great deal of pressure which the opposition exerted on government, a study was undertaken. It was decided to study the question of foreign ownership. This was commissioned in the spring of 1970 and, of course, questions on this matter have been raised in the House of Commons frequently during the past two years. As late as last fall, and I have information I could give in detail if anyone doubts my word or memory—

An hon. Member: No; good heavens!

Mr. Burton:—we were assured on a number of occasions that the matter was still under study and that the government had not made up its mind. Later, information came to light clearly showing that the government had made its basic decision last July. It came to light on July 29, to be precise, through a document published in the *Montreal Gazette* or *Montreal Star*—I forget which—which clearly appeared to be a copy of a cabinet memorandum that had been leaked.

It was clear that despite what the Prime Minister (Mr. Trudeau) and members of government said on a number of occasions in months subsequent, the government had made its basic decision on this matter last summer. More work was to be done and further discussions were to take place. Finally, May 2 was to be the big day. I can only comment by saying what a ghastly performance that was. What a shameful performance. I am surprised the government had nerve enough to present such a policy to the

[Mr. Burton.]

House as its answer to the problems which have been discussed for so long.

The government had had this matter under study for two years. As well, a voluminous document was presented to the House of Commons representing the studies and reflections connected with this subject. However, when it came to action being taken we found that there was to be a much more limited response by the government. I ask, does the government seriously think this bill will do the job? What does this bill show about the Liberal approach to public affairs? I suggest the Liberal party does as little as it can get away with. It does not want to disturb anything. It does not want to upset the present power structure in Canada. It does not want to offend the 95 corporations on which it depends for its support. The Liberal party is not truly committed to the process of social change and advance. It will move when it is forced to, when it must and when it has no other choice.

Before May 2 last we witnessed a most curious situation involving the Liberal party and the Progressive Conservative party. The Liberal party, on the one hand, had traditionally been known as the continentalist party, the party which advocated the continental approach to our economic affairs. It appeared that changes were taking place, that the party might be prepared to take action and change direction. The Progressive Conservative party, on the other hand, traditionally had been known as the nationalist party, the party that was concerned about nationhood and had taken stands in the past on that question.

We found in recent months the leader of the Progressive Conservative party (Mr. Stanfield) making statements to the effect, "Let us not scare the Americans. Let us not harm our relations with the Americans. Let us not cut off our source of foreign capital." I am sure that, many faithful, sincere and loyal supporters of the Progressive Conservative party winced and shook their heads as they heard their leader make those statements.

I read carefully the speech of the hon. member for Fundy-Royal (Mr. Fairweather) who began speaking for the official opposition in the debate on this bill. I think he added to the confusion surrounding this situation. I think the approach of the hon. member for Fundy-Royal was at variance with the approach his Leader took, as expressed in statements he has made in recent months. The hon. member correctly noted some of his concerns respecting the bill. He noted its ineffectiveness, some of the problems it must deal with and expressed the view, as I interpret it, that the bill will not accomplish much in dealing with the problem it was introduced to deal with. What sort of topsy-turvy situation affects the Liberal and Conservative parties? It seems they are both in a total state of confusion. Neither is willing to take effective action to stem the erosion of the Canadian economy, to develop alternative approaches or to develop alternative instruments of policy.

In addition, it must be said that the Prime Minister's role in this entire debate has been somewhat pale and ineffective. In his statements of recent days he has adopted a most cautious stance which does not do him credit. He suggested that if this bill were held up in the House of Commons the consequence would be serious. He said