

• (3:40 p.m.)

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, the motion which has been placed before us by the hon. member for Hillsborough (Mr. Macquarrie) provides the House with an excellent opportunity to debate Canada's role in a changing world and to discuss our relations with other countries, particularly with neighbouring countries. The motion has two substantive items of condemnation. The first condemns the government for failing to employ and improve firm and constructive economic and political relations with the United States, and the second condemns the government:

...for failing to develop a new economic policy which would strengthen our economic independence and fully employ our growing and highly skilled human resources.

Since I agree with the second criticism and want to disagree with the first, let me deal with the second criticism first.

**Mr. Francis:** At least you are being logical.

**Mr. Douglas:** Let me say first of all that this party supports the statement in the motion which condemns the government for its failure to develop policies which would strengthen our economic independence. In Canada that has become now rather like being in favour of motherhood and apple pie. I thought there was a good deal of contradiction in the speech made by the hon. member for Hillsborough, since in one breath he wants the government to establish better relations and be more quiescent to the United States and in the next talks about strengthening our economic and political independence. I do not know how you do that except by talking frankly and dwelling in a world of reality, not in a world of sentiment.

**Some hon. Members:** Hear, hear!

**Mr. Douglas:** There is no doubt that in this country today, in the business world, among working people, farmers and the public generally, there is a growing demand that Canada strengthen its economic independence. That does not mean that we Canadians want to live in a state of economic isolation or self-sufficiency. Canada is a trading nation which must trade in order to live, and we know that we cannot live unto ourselves. But trading relationships with other countries do not imply that we have to turn over to the control of foreign corporations and multinational corporations the control and ownerships of the resources and the economic activities of this country.

**Some hon. Members:** Hear, hear!

**Mr. Douglas:** Pleading for economic independence does not mean that those who do so are anti-American. This accusation has been thrown many times at those of us who have spoken along this line. As a matter of fact, the other day I raised on two occasions the question of Supertest being taken over by British Petroleum Limited. That is not an American company, but is a company 51 per cent of the shares of which are owned by the government of the United Kingdom. It is really almost a Crown corporation. I am not concerned about whether they are American companies, Japanese, Russian, British, French or German companies. I am opposed to any foreign corpo-

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rations having the decision making power that affects the economic destiny or the welfare of the people of this country.

**Some hon. Members:** Hear, hear!

**Mr. Douglas:** This does not mean either isolationism or a spirit of animosity to other countries. Sweden, Norway, Switzerland and Japan have all passed legislation limiting the amount of foreign ownership in their respective countries. As a matter of fact, Japan, which has probably received more massive inputs of American capital than any other country in the world, two years ago passed some of the most restrictive legislation that can be found on the statute books of any country limiting the amount of foreign ownership which there can be in that land.

There is no doubt that Canada will always have a special relationship with the United States; 70 per cent of our export trade goes to the United States, and we buy from and sell to the United States more than any other country. Because of our proximity, because of the fact that our economies are to a very large extent complementary, this type of trading relationship is bound to continue, but it must continue on the basis of our being masters in our own house and not on the basis of being renters in our own country with the decisions affecting this country being made elsewhere.

I want to say that I do not think any motion of condemnation can be too strong with respect to the failure of the Liberal government to take effective action to stop this steady erosion of Canadian control of our economy. We have now reached the place where in the last three years 200 take-overs annually by foreign companies have further eroded Canadian control of our economy. The Liberal party has been strong on rhetoric but it has been poor on performance. I need not go back over the speeches of Mr. Walter Gordon when he spoke about buying back the Canadian economy, or the Watkins Commission set up by the former prime minister which reported in 1967 but following whose report virtually nothing has been done, or the task given to the Minister of National Revenue (Mr. Gray) to look into the question of foreign ownership. I understand that he has made a report to the cabinet which I am convinced we will never be allowed to see. Today that report is virtually dead. This government is giving no indication at all that it intends to take any effective action with respect to the continuing acquisition of Canadian corporations by foreign companies.

Let me turn now to the second ground on which the government is being condemned, that is for failing to employ and improve firm and constructive economic and political relations with the United States. I must say that I am surprised at the way in which this criticism is worded. In recent months there has been a not too subtle campaign carried on in this country, through the press, by some public spokesmen and by the representatives of certain right wing groups, accusing the government of cosyng up to the communists and turning their back on our good friends in the United States. The government does not need any defence from me, and I have never proposed to set myself up as one of their defenders. But the fact remains that the statement contained in the motion which we have before us, and the speech made by