

*Foreign Control of Canadian Industries*

growing—by Frenchmen, by Italians, by Japanese, by Indians, and probably by many more people I am not aware of and of whom most members of this house are not aware. All are worried about the implications for their national identity and sovereignty in the rise of the great multi-national conglomerates, the modern equivalents of the great merchant adventures of Phoenicia, of Venice, and of the Baltic ports, of times long past.

There were two limited attempts made to survey areas of the problem in this country. I quote from page 320 of the Watkins report:

The Eisenhower-Diefenbaker joint statement on export policies of July 9, 1958, recognized that the export policies and the laws of the two countries may not be in complete harmony and called for "full consultation between the two governments with a view to finding through appropriate procedures satisfactory solutions to concrete problems as they arise."

There is no doubt that some of the ministerial meetings that have taken place since then were brought about as a result of the meeting of the then prime minister, Mr. Diefenbaker, and the then president, the late General Eisenhower. Later on in 1964, during the administration of Mr. Pearson, there was the meeting between Mr. Pearson and President Johnson following which, and here I quote from page 322 of the Watkins report:

—the Merchant-Heeney report, "Canada and the United States, Principles for Partnership," was issued in June 1965. It recommended this ideal solution, namely, that American subsidiaries in Canada be granted a general exemption from the administration of foreign assets control regulations under the Trading With the Enemy Act. This recommendation has not been implemented and seems at present to be a dead letter.

Despite those who say that the United States government will not be concerned, it is possible that with the right approach we could have discussions with that government. I think our government might try, in co-operation with the United States government, to initiate an international forum in which this matter could be considered on an international basis. As a result, perhaps certain common rules could be laid down. It is going to affect us all. Even the United States is not immune to some of the economic consequences which flow from actions in other countries. We need no better proof of that than the world monetary crisis which is still with us and could become very serious.

I think that, with patience and time, this is an approach that might well be considered in connection with this difficult problem. Certainly, there is no excuse for not attempting

[Mr. Baldwin.]

to negotiate and discuss with the Americans whom we meet from time to time, not only at the ministerial level but at the parliamentary and congressional level. I, of course, bear in mind the fact that the Congress of the United States is in a position to initiate this sort of discussion if it were aware of world difficulties and inclined to take this step. Members of the United States Congress have a great deal more power than do members of parliament in this country.

There is another proposal in this regard, and I give the government credit for initiating it. There is at present before the other place Bill S-38, to amend The Loan Companies Act. I know I cannot go into this bill in detail, but I mention this as one of the ways by which this problem can be dealt with. Under clause 5A of this proposed amendment, in the case of incorporations, and under clause 6(1)(b), in the case of existing corporations, a company can petition to have the three restrictions in 5A(a), (i), (ii) and (iii) included in their letters patent. These are restrictions which can be placed either in the letters patent of a new company or added to the letters patent of an existing company. I quote from clause 5A as follows:

—to provide any restrictions desired by the petitioners in respect of

- (i) the classes of persons who may become shareholders of the company,
- (ii) notwithstanding section 56, the voting rights of shareholders, and
- (iii) the number of shares that may be recorded in the name of any shareholder in the books of the company;

This is a simpler method by which a company may petition but ultimately a policy and administrative decision at the level of the officials of the federal government is required. I do not know to what extent provincial governments have undertaken measures of this kind. I do know that my leader, when premier of the province of Nova Scotia, by indicating the intention of his government to do this brought about a situation whereby one of the large communications companies was compelled to take a position which was acceptable to the government and the people of that province.

● (8:20 p.m.)

So there is a means by which certain restrictions can be undertaken without necessarily having to beat the United States or any other country over the head and say, "No, we do not want you here under any circumstances". I think some of these approaches—which are undoubtedly important—would