

Foreign Takeovers Review Act

I want to say that from the statement the Minister of National Revenue (Mr. Gray) made on May 2 and from the statement the Minister of Industry, Trade and Commerce (Mr. Pepin) made this afternoon, it is clear that it is not the intention of the government to stop or even limit foreign takeovers. The intention is merely to give the minister and his department or whoever else deals with big corporations an opportunity to bargain for what the minister calls a better deal of significant benefit for Canada.

I am not prepared to buy this sham. I say to the minister that what he is saying is utter and complete nonsense. There is absolutely no guarantee that a deal he is able to negotiate today in respect of a takeover would be honoured a year, two years or three years from today. What would the minister do then? Would he unscramble the takeover that has already existed? This idea of negotiating for a deal is a phoney attempt to try to justify a bill which does nothing in respect of foreign ownership because there is no way in which the minister and his department or any agency of the minister or of his department can get a guarantee for the future of Canada's economy in any deal he makes. If circumstances were such that after a year or two the plant closed down, Canada would be in the soup under this bill because the minister would not be able to do anything about it. Even at this point the government has fallen down on the job by its failure to provide for the period between introduction of the bill at the beginning of this month and its proclamation. It has given its corporate friends a breather in which they can make their takeover bids quickly without any review.

I do not know whether or not such a thing has happened, but the bill will not come into effect until proclaimed by the government and what will happen remains to be seen. I ask, what about the other areas in which the Minister of National Revenue's report said that legislation might require registration with the review agency? What of direct investment in new companies by foreign owners? What of new licensing and franchising arrangements? What of major new investments by existing foreign-controlled corporations in Canada? These are the important areas of possible further encroachment on Canada's economic independence. The takeovers the minister's bill deals with are picayune compared to the total problem the Gray report brings to Parliament and the people of Canada. What about these areas? The fact is that the government, like all its continentalist predecessors, is turning a blind eye on the really important parts of the problem, which threatens Canada's future. Limiting its legislation to takeovers is like hunting big game with a popgun. It will not work here any more than in the actual situation.

The Prime Minister (Mr. Trudeau) has openly admitted the inadequacy of this measure. Confronted by the outcry of commentators and the public, he blithely tossed the problem to the provinces and said: Let them fill in the gaps. As are other Canadians, I am shaken by the Prime Minister's abdication of a clear federal responsibility. I say that one of the fundamental and essential duties of a central government in a federation like ours is to safeguard the integrity of the nation, of the state. The Prime Minister surely would not suggest that the military defence of Canada is anything but a federal responsibility.

I say, on behalf of the New Democratic Party that the economic defence of Canada is equally a federal duty and a federal responsibility. I say to you, Sir, that economic conquest is as destructive of a nation's identity as is military conquest, even if it is a great deal less painful.

I cannot help but note that the statement of the Prime Minister is a long way from what he wrote in *Cité Libre* about foreign ownership in the days of 1958 when he said:

Shall we suffer passively our situation of economic domination? . . . It could be better to be annexed outright by the United States than be exploited without limits.

That is what Pierre Elliott Trudeau wrote.

Mr. Francis: He still believes in it.

Mr. Lewis: A Liberal member says he still believes it. He may have some secret knowledge of what the Prime Minister believes. All I know is that the policy for which the Prime Minister is responsible is a betrayal of the words he wrote in 1958. But I am not speaking today for the purpose of underlining the mutations of the Prime Minister since he tasted power. My purpose rather is to point out how this government, after years of research, after two task forces and a parliamentary committee, has dashed the hopes of Canadians. It is also to express again the determination of my party, the New Democratic Party—a determination which, I am convinced, is shared by millions of Canadians inside and outside our party—that control of the economy must be returned to Canada and that the steps in this direction must be begun now.

• (1630)

It is therefore my intention to suggest a number of steps that we want taken immediately. One of the first steps we have urged on this government for some time has been illustrated in the last few days by the government of the province of Ontario which accepted the Prime Minister's challenge to the provinces to act, much to my surprise, I must confess, and only, from what I have seen, under prodding by members of the NDP in the provincial legislature, when it announced discontinuation of forgivable loans to foreign corporations. In any case, just last week the Ontario government admitted that there was no way of showing that its so-called forgivable loans, that is grants which are given in another name but which smell just as sweet to the corporations, influence the location of industry. As a result, the government of Ontario has suspended these forgivable loans to foreign-owned corporations. I ask you, sir, to contrast this with the situation in the federal arena. Each year and for the future, so far as the policy of the government is concerned, the federal government continues to hand out many millions of dollars to foreign-owned corporations.

Permit me, Sir, to put a few relevant figures on the record. In recent years, 39 per cent of all grants under the Industrial Research and Development Incentives Act, referred to as IRDIA, has gone to foreign owned corporations. In the case of the Program for the Advancement of Industrial Technology, known as PAIT, it has been 45 per cent. Under the Defence Industry Productivity Program, known as DIP, it has been a staggering 86 per cent. A fifth of all shipbuilding subsidies and half or more of all DREE grants have gone to foreign-owned corporations. We have