Minister (Mr. Trudeau) in the Sault. The Prime Minister said that the Liberal Party of Canada sets as its objective that new, major projects in the natural resources field should have at least 50 per cent, and preferably 60 per cent, Canadian equity ownership. As there are overlapping responsibilities for the development of Canada's natural resources shared by both the federal government and the provinces, he said we would hope to pursue this objective jointly with the provinces.

Such an objective, it seems to me, should have the support of the vast majority of Canadians. Public attitudes all across Canada have been moving toward more government initiatives in this area. By way of example, earlier this year a national Gallup poll asked this question. I want to emphasize that the question was asked after royal assent had been given to Bill C-132. The question was: "Would you favour, or oppose, legislation that would significantly restrict and control further foreign investment in Canada?" It is significant that a large majority of Canadians answered in the affirmative. And I believe it is just as significant that this support was strong in regions all across Canada. This was a view that was by no means shared, as is sometimes alleged, by a few people in Toronto; it is a view and a sense that is felt by Canadians from coast to coast. Such a policy, Madam Speaker, with respect to the resources industry—equity ownership and Canadian participation—it seems to me should be underlined in these terms.

The objective places particular emphasis on the natural resources of Canada which have been of such central importance to the Canadian economy. It is not too much to say that the strength and vitality of our economy in the past has been based on the successful exploitation of our resources. It seems to me just as important to make the point that the exploitation of these natural resources continues to be the underpinning of our economy today and will be, albeit in greater upgraded form such as the further processing of resources in Canada, in the future. More than that, those who direct and control the large resource companies also have a very significant influence on secondary manufacturing in Canada, such as the location of plants in Canada or outside or the kind of upgrading that takes place in Canada. The process of vertical integration from the raw material through to the semi-fabricated product, and in some cases the fully manufactured product, extends the influence of those who control our resource companies right through the manufacturing sector.

Such a policy objective recognizes that the natural resources of Canada are part of the patrimony, the birthright, of Canadians. It recognizes that many of the natural resources of Canada are non-renewable and are being depleted. It recognizes that ownership and control of many of the companies engaged in the development of these resources is held outside Canada. But the policy objective is not retroactive; instead it looks to the future. It recognizes that by insisting upon 50 per cent, and preferably 60 per cent, equity ownership in major new projects over a period of time we can achieve a repatriation of majority ownership and control of the resource companies in Canada. Quite clearly, if each new, major project in a non-renewable resource development requires 50 per cent, and preferably 60 per cent, equity ownership by Canadians, and the existing properties continue to deplete, sooner or later there will be significantly greater Canadian participation.

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Such a shift in ownership could also bring with it shifts in control to Canadians. And with shifts in control, the direction of a firm would be more and more sensitive to Canadian opportunities in Canada and opportunities for Canadian companies abroad. Let us not delude ourselves, because if Canada is to play its full role in international development, Canadian-based multinational companies should be major contributors. Too often now, Canadians are not enjoying the same opportunities in developing markets because the Canadian companies which have expertise in a particular area are subsidiaries of multinational firms. Too often the head office of the multinational firm decides who goes where, and the chances are that it will not be the Canadian subsidiary that gets the assignment.

I have heard it argued that there could be difficulties with such a policy because there will not be enough Canadian money to finance such a policy. At the moment there is a real problem in financing long-term projects wherever they may be. The capital markets of the world have been severely disrupted by inflationary forces and balance of payments considerations. Both equity and long-term debt financing have been affected. But those who assume that there will not be enough Canadian money around are not usually referring to the present condition of the capital markets. Indeed, they are not distinguishing between debt and equity investment.

It is true that originally many of our resource projects were financed by both debt and equity from abroad. But in the past decade a major source of funds for the development of Canadian natural resources has been developed internally, within Canada—within the company or corporation—in the form of debt financing raised on the Canadian capital markets. Relatively small amounts of equity capital have continued to come from outside. To illustrate this, a report prepared by my department on foreign-owned subsidiaries in Canada between 1965 and 1972 shows that of total funds available to companies of about $7 billion, more than $6 billion—or 90 per cent—came from funds either generated within the company in Canada or borrowed on the Canadian capital markets, and debt capital raised in Canada amounted to more than $500 million. This compares with equity capital from abroad of about $700 million and a decline of about $100 million in debt owing abroad. For those who are still worried about the sums of money involved, I can reassure them by saying that the typical new project in a natural resource industry involves about four times as much debt as equity. That is a ratio of close to four to one in the new project.

Clearly, it seems to me, we should concentrate much more in the future on raising equity in Canada rather than abroad, and to the extent necessary we should be raising the larger amounts of debt capital, that is, the part that is four times as great—the four to one ratio to which I referred—from abroad. In considering this policy objective, I think it is clear that a lot of consultation needs to be undertaken with the provinces and with those in the industry itself if we are to realize this as a national objective. This is not a project which can be put into place