

Foreign Investment Review

control. He went on to say that our high degree of non-resident ownership and control produces an emasculated country without the characteristics of a sovereign nation.

• (1610)

It is said that the foreign investment and review bill now before us is a response by the government to the fact that non-Canadian control of Canadian industry, trade and commerce, and its effect on the ability of Canadians to maintain desirable control over their economic environment, is a matter of national concern. It is said that the measures contained in the bill will help Canadians develop an expanding economy for the benefit of Canada. These measures are to form part of the government's efforts to put in place a clear set of industrial policies to encourage national objectives. It is said that this legislation complements a whole range of positive measures to build strong Canadian entrepreneurship, to encourage a high level of economic activity and to provide incentives for Canadians to invest in their own country. I want to be optimistic enough to believe that this bill will do all these things, but I must say that I regard this bill as a rather cautious proposal, one which I trust will move us in the right direction, but cautiously.

In considering foreign takeovers and the establishment of new businesses by foreigners, the government will examine carefully the effect of economic activity, particularly employment, the degree of significant participation by Canadians in the business or the industry that is going to be examined by the review process, the effect of the proposed investment on productivity and competition in Canada and, finally, the compatibility of the proposed investment with national, industrial and economic policy objectives. One would certainly be hard pressed to see in this approach any suggestion of narrow nationalism, but those who see it as a bit too timid may be on firmer ground. That we need a review process, there can be no doubt. That we will need more in the future seems obvious. The issue of foreign ownership and control is of deep concern to Canadians and it will continue to be more so in the years ahead. This is a problem and an issue facing Canadians that is not going to go away. It is going to be with us for a long time.

I suspect that Canadians are going to demand that their federal and provincial governments continue to take steps to deal with this issue. At this time, I would say that Canadians and their governments are still somewhat uncertain about what the optimal answer may be, but the people of Canada do expect us to take firm, all-embracing steps to curtail the growth of foreign ownership in this country. There can be no doubt about that. They expect us to do this while at the same time taking steps to ensure that the potential growth of Canadian business is realized. Bearing those things in mind, I suspect that this government is trying to find a safe and workable middle road.

Our citizens demand of their governments effective measures which will result in a stronger economy for the full benefit of all Canadians. They want, and will want more so in the future, a restoration of control over their own economic destiny. I strongly suggest to this government and to parliament the wisdom of providing continuous leadership in these directions. We should do that

[Mr. Penner.]

rather than follow far behind the aspirations of the Canadian people we have been called upon to lead.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, perhaps I should first comment on the address given to this House today on the bill before us by the hon. member for Thunder Bay (Mr. Penner). He said that the bill was a cautious proposal. Coming from a member of the Trudeau Liberal government, I suggest that is an understatement. The bill is, indeed a cautious proposal.

I read the speech of the Minister of Industry, Trade and Commerce (Mr. Gillespie) when the bill was introduced. He stated that Liberal policy on foreign investment is based on two pillars. If I may, I would like to refer to them as the pillars of Gillespie. I suggest those pillars are just as mythical as the pillars of Hercules.

The two pillars referred to by the minister are first, positive support for the development of Canadian-owned and controlled corporations and, second, positive measures to maximize the benefit to Canada of foreign investment. My, how high sounding that is. If we take a deeper look, not only at the words of the minister, but more importantly, at the actions of this government over the past 10 years, we will see how shallow his pillar reference is in fact.

The Trudeau Liberals and the minister took a great deal of time to point out what they felt the problems were today. I suggest there is no one in this House who should know better than the Trudeau Liberal government what the problems are because the problems substantially grew during their 10 years in office. I suggest that these problems have been well outlined and explained by a committee on finance of the United States Senate which filed their report in February, 1973. Before the committee finally considers the bill we are debating today and refers it back to this House, I suggest every member of this House should read the report of that committee on finance of the United States Senate which was chaired by Russell B. Long.

In their report, they reviewed the implications of multinational firms for world trade and investment and for United States trade and labour. This report, which covers almost 1,000 pages, reviews on a global basis, the effect of multinational corporations around the world. There are many references to Canada. I wish to point out only two or three of them today. At page 96, the report points out and I quote:

Canada because of proximity, language, and common interests, was viewed for many years by U.S. companies almost as another state. Some of these companies' annual reports included the Canadian results with the domestic totals instead of in the foreign section. The Canadians welcomed this investment which brought them rapid economic growth and a high standard of living at the cost of foreign economic domination of many of their industries.

• (1620)

Then, there is this comment, and I think it is very relevant:

More recently, the Canadians have raised questions about this foreign domination but they have not attempted to reduce it significantly.