

Foreign Control of Canadian Industries

has given rise to the motion, along with other take-overs, but the motion goes farther than this. Looked at literally the motion seems to call for a policy which would clearly scare off foreign investment from Canada, discourage it and keep it out. Yet Canada's continuing requirement for foreign investment to provide new jobs for our growing labour force is obvious and is recognized in all parts of the house and in all parts of the country. Indeed, this was recognized in Saskatchewan under the government led by the present leader of the New Democratic party. No government welcomed foreign capital more than it did.

By 1970 we expect the numbers of our young people in the important 20 to 24 years old age group will have increased by 33 per cent—in five years. This rapidly growing number of young adults will want homes, schools and the other requirements of modern living. Our capital requirement in recent years has been in the order of a net annual inflow of a billion dollars. Above all, these Canadians entering the labour market will want jobs, and a policy of scaring off foreign investment would quite clearly be a policy of scaring off jobs.

Mr. Lewis: Mr. Speaker, if the minister would permit a question I should like to ask quite politely whether the billion dollars he is talking about is the net capital inflow, because it is not, is it? The net capital inflow is just about half that.

Mr. Benson: The net capital inflow is usually around \$1 billion. It varies from year to year.

Mr. Lewis: It was not that amount in 1968.

Mr. Benson: The year 1968 was a very good one because of the actions of this government.

Too often critics argue only on one side of the issue and forget that capital flows more than one way. Canadian investment abroad is considerable and our most recent statistics display a fairly impressive record. In 1965, the latest year for which most published data is available, foreigners owned \$35.2 billion worth of assets in Canada. But what is often overlooked is that in the same year Canadians owned foreign assets totalling \$13 billion. Of this amount, private, direct and portfolio investment came to \$5.6 billion, more than double the figure of a decade earlier. Over the past three decades the rate of growth of Canadian investments abroad has in fact been faster than the rate of growth of foreign investments in Canada.

[Mr. Benson.]

Mr. Brewin: So what!

Mr. Benson: Most of this investment has found outlet in the United States. On a per capita basis Canadians invest better than one and one half times as much in the United States as Americans invest in Canada.

Taken literally the motion calls for policies which are not to a large degree within the legislative jurisdiction of the federal government unless one uses the Criminal Code, and perhaps that is what my hon. friend who claims to defend the rights of individuals wants us to do. In a narrow sense the government could, I suppose, seek authority from parliament for restrictive legislation dealing with all corporations under federal jurisdiction, but this would still leave a wide area where only the provincial governments can act and would simply, I think, encourage the incorporation of provincial corporations.

Because the federal government is only one of the governments in Canada which have responsibility in this area and because we must in all actions affecting foreign investment take account of the continuing need for foreign investment, this government's policy has been to proceed by way of a carefully designed series of detailed measures appropriate to the different sectors of the economy and to different types of economic activity. Let me list some of the particular actions which have been taken over the years to ensure a degree of control by Canadians in certain key areas of economic activity. Canadian governments have, of course, long discouraged foreign ownership or control of certain key sectors and industries such as railways in the post-confederation period, air lines, bus lines, radio stations in the 1920's and 1930's, television stations and insurance companies in the 1950's and newspapers, companies in the 1960's.

● (3:50 p.m.)

Looking at the past few years, it will be recalled that in 1964 several acts were amended in order to retain the Canadian ownership and control of federally incorporated insurance, trust and loan companies, by limiting the proportion of total shares which might be held by all non-residents to 25 per cent, while limiting the proportion held by any one non-resident to 10 per cent. So the takeover of federally incorporated insurance companies is difficult, indeed almost impossible, owing to actions taken by the government.