

Direct investment by multinational corporations erodes the decision-making process of citizens, and this is essentially what has been happening in the Canadian economy.

What is the reaction of this government? The government has not set up a screening process. It has set up nothing more than a smokescreen to hide its deficiencies in the realm of policy regarding foreign ownership. I do not think the dismal failure of this government to come to grips with the matter of foreign ownership can be understated. It merely sets up a smokescreen. There have been a number of editorial comments dealing with this subject. The *Financial Times* of Canada, in an editorial headed "The Missing Policy", wrote:

• (2040)

The government has been talking out of both sides of its mouth. It wants to reassure business that nothing drastic is planned. At the same time it is trying to tell Canadian nationalists that this may be only the first step towards more stringent controls. Some hints are being dropped that real limitations on foreign ownership are merely postponed until the employment outlook is brighter.

The cabinet appears to be split on the issue and several ministers are visibly unhappy about what has been produced. Even after two years of study and debate it appears that the Trudeau government felt obliged—presumably by the approach of the election—to say something about foreign ownership when it hadn't made up its collective mind what to say.

The first part of that paragraph is where the essential truth lies. The government is trying to produce a bill and then go to the people and say it has done something about foreign ownership, but in fact it will have done nothing. As an hon. member has already said in this debate, directors of multinational corporations can roll over and go back to sleep because they have nothing to worry about from the actions of the federal government. The *Montreal Gazette*, in an article headed "Ownership Policy Puny, Invites Trickery" which appeared on page 10 of its May 3 issue, summed up what the government has done as follows:

The mountain has laboured and brought forth a mouse—

Not only does the government's decision disregard the principle recommendations of its own major task force headed by revenue minister Herb Gray, it also falls far short of the objective outlined by Prime Minister Trudeau himself.

"As a government, our minimum posture is to maintain the status quo," Trudeau told Southam News Services chief Charles Lynch last November.

"American control of our oil and petroleum is 95 per cent, we wouldn't like to go to 99 per cent; the American control of our manufacturing industry is 60 per cent, we wouldn't like it to go to 80 per cent—and so on, and I think if we tell the American people this, they will understand it"—

Takeovers simply aren't the principal problem.

In what the Gray report calls "a more or less normal year," takeovers account for only some 5 per cent of the increase in the assets of Canada's foreign-controlled corporations.

New investment from abroad plays a much more significant role. And the most important fact of all is the expansion of foreign corporations already established in Canada.

I repeat the statement that the most important factor of all is the expansion of foreign corporations already established in Canada. The government has not seen fit to deal with this fundamental question. What the government should do in the future, as has been suggested in this House previously, is create a stronger role for the Canada Development Corporation, to institute a kind of planned

### *Foreign Takeovers Review Act*

economy which develops our country on the basis of the essential needs of Canadians and not on the basis of the essential needs of corporate interests.

While the leader of my party was speaking in this debate he was asked a question about grains and wheat and it was implied that he was talking about the manufacture of wheat in Canada into flour before shipping it abroad. To me it was a preposterous question. Wheat and similar products are non-renewal resources, but the minister in charge of the Wheat Board was comparing them with products that are renewable resources. It is those which we presently ship abroad and buy back as finished goods; the minister should know that.

Essentially, what I have suggested tonight, Mr. Speaker, is that we in Canada must take action on the international scene to persuade other governments, those of Great Britain, of European countries and of the United States to work out the standards which multinational corporations must meet and the roles they must play in the economies of the world. Such steps must be taken, along with much stronger action by the government in terms of developing domestic control of our economy.

**Mr. John Burton (Regina East):** Mr. Speaker, this bill is making a mockery of Canadian nationhood. It is the type of measure which leads to confusion, misunderstanding and resentment among Canadians. It is the type of bill that places Canadian nationhood in jeopardy. Canadians have a right to expect more forthright leadership from the government than is demonstrated in this bill. The government of Canada, whatever its political persuasion, has an obligation to provide more effective leadership to the nation than has been demonstrated in this bill.

Many strains face Canadian nationhood at the present time. I suggest that this type of weak, ineffective response to a serious national problem can only intensify these strains. Canadians at the present time are searching for their identity. They are seeking to remove inequities and disparities that exist in our nation. But what does the government do? Having allowed much of our industry, much of our economy, the control of that industry and our economy to be alienated from Canadian hands, the government says, "We are not going to do anything about that. We are going to do something about future takeovers and future mergers of firms." I suggest that this will not help Canada in its search for identity and in finding ways and means of overcoming some of the problems we face at the present time. I suggest that the record of the Liberal government is pretty bleak and dismal in this whole area.

We can go back a number of years to the early 1960s. First of all we had Walter Gordon who came on the scene shortly after the Liberal government assumed power in 1963. He may have had a somewhat misplaced faith in certain institutions in Canada, but nevertheless all of us must be prepared to give him credit for his courage and for a very imaginative proposal that be brought forward, which unfortunately was shot down somewhere along the line.

I am sure there are some members on the other side of the chamber who remember that incident very well, members such as the Minister of Labour (Mr. O'Connell). At that time, Mr. Gordon presented a proposal for a takeover