

myriad of guidelines to follow, just what to do in any particular application. I suggest that this review body could have other very useful roles with regards to foreign ownership takeovers. Canadian society has rested on two major elements which protect the individual and promote general welfare. These are the rule of law and the maintenance of a reasonable balance among the institutions of power so that no one institution or group becomes too powerful.

This commission could well have the general authority to obtain information concerning businesses and corporations. It would gather statistical information on business organizations and procedures throughout the nation. This collection of data would serve as a groundwork for policy information and as a base for new legislative departures. This commission would serve to make sure that free enterprise would be permitted to operate; it could carry on investigatory activities which should be handled by its own economic staff; it could analyse purchasing and output policy and important market imperfections would be reduced and restricted, and unethical practices curbed. It could investigate the policies through which United States parent companies govern their Canadian subsidiaries, and the reaction of parent companies to permitting Canadian subsidiaries to expand their activities.

The present Combines Investigation branch only studies possible violations of the combines law that have been submitted to it. The projected trade commission would be a permanent organization which, by gathering statistical information on business organizations over the whole field of industry, would be able to uncover new problems and make recommendations for additional legislation to correct any abuses.

The devising of an industrial strategy for Canada, as has been noted by some, follows the idea that we should trade off manufactured goods as the price of allowing the export of energy to the United States. It is widely felt that only the manufacturing industry can provide the jobs necessary for the Canadian labour force. But all statistics indicate that Canadian manufacturing is hard put to maintain the present number of jobs and it has fallen on the service industries to provide the jobs for the record number of Canadians entering the work force.

These service industries have largely lived on the income provided by the selling of resources to the world at large. It is difficult to see how the United States, with its balance of payments problem, can provide the only market for Canadian manufacturing as it presently does. All indications are that the price of Canadian energy, if we have a surplus of it, will be high and run into competition from oil and gas brought from the Middle East. Canada's best export chance seems to be in selling raw materials, processed to the greatest degree possible before their sale.

It is interesting to note that many Canadians feel that the U.S. has made us the hewers of wood and the drawers of water, when the fact is that Japan and the ECM take our natural products in a much lower form than does the United States. All of these problems were ventilated at the hearings last year.

Mr. Speaker, this legislation brings forward many ideas as to what we should do to make our Canadian economy

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more effective. It seems to me that the way to counter foreign investment is to have a strong internal business economy. In the budget speech the government suggested that they would bring forward proposals and legislation which would substantially help the small business. But really these are, in many cases, merely token efforts.

I should like to turn to agriculture as one area in which the government has often followed policies which have not been in the best interests of agriculture or the country as a whole. In recent years we have had the white paper on taxation, with all its uncertainties about what our taxation policies should be. These taxation policies were especially detrimental to the individual entrepreneur in agriculture, and, when the white paper was translated into the tax measures, the primary producer of food found that he was severely penalized. The overriding implication of the white paper that a buck was a buck and should be taxed accordingly found its way into the tax legislation.

Agriculture is a significant factor in both our external and internal economy. We have to import a large amount of food that cannot be grown in our cold country. We are confined in our exports to three or four major commodities such as wheat, barley, rapeseed and flax. In general, we are a meat importing country. The export of grains is especially valuable to Canada because this \$2 billion is obtained mostly from outside continental North America, not the United States. Has the tax legislation this government enacted in this past four years been beneficial to these exports and to the industry? The answer is, of course, no. The government has introduced a capital gains tax on farm lands with merely a face saving device such as exempting from capital gains tax the passage of the land at death within the family.

The cancellation of the straightline depreciation on farm machinery is a severe blow to the grain farmer of western Canada. The removal of estate taxes is of no real benefit, but as a result of certain changes we will be able to preserve productive farm units from one generation to another. Mr. Speaker, I see that my time has expired.

• (1640)

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I must say that this particular subject is one which produced a remarkable lack of interest so far as the public was concerned during the election campaign. As I look over the number of members in the House of Commons today, that same lack of interest seems to be expressed by our elected representatives. I am sorry to see this, because I believe this should be one of the gut issues of the country. What we are debating today is really not a question of the effectiveness of this bill, but rather whether or not Canada can survive and whether or not this debate is really heralding the beginning of the end of Canada as an independent sovereign country. I suggest that unless we do something meaningful we can look forward to that in the future.

The trends in respect of increasing foreign ownership in this country are so firmly developed and so firmly established that to tinker around with the subject in the way in which this bill does will not come to grips with the problem. In fact, I suggest it may do more harm than good