● (1422)

[*English*]

NATURAL RESOURCES

CANADIAN OWNERSHIP THEREOF

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister arising from an answer he gave in the House on Monday. In 1974, the Prime Minister promised that "new major projects in the natural resource field should have at least 50 per cent and preferably 60 per cent Canadian equity ownership". In the House on Monday, when asked about this the Prime Minister did not withdraw that commitment but reasserted it when he said:

—the commitment as it was made still stands.

Can he tell the House why he said that on Monday, when his government has continued to approve virtually all takeover bids in the resource sector since 1974 and, in particular, when he has approved offers in eight major cases which have completely violated the commitment he made in 1974 and repeated here in the House on Monday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the commitment made in 1974, which was repeated on Monday and I repeat again today, was that we would move in that direction; that we did not expect to reach it overnight, but we were looking at a span of perhaps five years. Perhaps it would be of interest to inform the hon. member that, indeed, when FIRA negotiates with foreign companies which are investing in the resource area, it generally gets an undertaking from them to ensure that over a period of time they will be moving toward majority Canadian ownership.

I cannot say this is done in every case, Mr. Speaker, but I do know this is one of the conditions which is discussed in respect of many FIRA cases in order to determine whether the investment or the takeover is in the interest of Canada.

Mr. Broadbent: Mr. Speaker, the Prime Minister says it is a FIRA consideration which envisages a move toward 50 per cent to 60 per cent Canadian ownership. I point out to him that in a document I have here that is not what was said by the Minister of Industry, Trade and Commerce: he said that in most instances so far it has not proven feasible to secure full compliance with that objective. The Prime Minister is saying one thing and his minister is saying another.

Since all the hard evidence in terms of the major decisions that have been made—I have a list of them here—would indicate that the 50 per cent to 60 per cent equity ownership has not been achieved at all, I would ask the Prime Minister whether he is saying that we can look forward to this at some distant point down the road; or is he going to start now, at long last, acting on what he promised in 1974?

Mr. Trudeau: Mr. Speaker, I am saying that FIRA, since the beginning and since the announcement of that policy, has been discussing with those who want to invest or take over in Canada this particular policy and the assurance that some guarantees can be obtained, when possible, to move in this direction. I do not know what particular cases the hon. member has in mind: perhaps he could send them over and we could provide detailed answers. I do know that very frequently, when FIRA cases are reported to cabinet, it is determined that there is an undertaking on the part of foreign investors that there will be a move toward a greater percentage of Canadian ownership.

There are, and there must be, cases where exceptions are made to that rule and that is perhaps what the Minister of Industry, Trade and Commerce was saying. Often the provinces themselves make very strong representations that they must have a particular investment in a particular area, especially where there is less development than in other parts of Canada, and sometimes we have to choose between federal objectives and provincial desires. Generally, there is a great attempt made by FIRA to put everybody on side, but sometimes we have to go in the direction of the provinces.

● (1427)

Mr. Broadbent: Mr. Speaker, I have a final supplementary. The document that comes from the Minister of Industry, Trade and Commerce states, with reference to the provinces:

No province raised any outright objection though some reserved their positions.

That is as to the general proposition that we should move toward Canadian control in the resource sector. So the general position of the provinces, at least as indicated in this document, is that they support the proposition. The Prime Minister, however, has indicated a general moving toward the policy. Either we have 50 per cent to 60 per cent, or we do not. Is the Prime Minister saying that 30 per cent is moving toward the implementation of his policy?

Finally, because I, for one, have genuine scepticism about the government's commitment, if the government is committed, will it—at least in the Husky Oil case—make its position clear today as to whether there will be Canadian control and ownership of that particular enterprise?

Mr. Trudeau: Mr. Speaker, the hon. member has asked if 30 per cent is moving toward my policy. Obviously, if in year one they had 10 and in year two they had 30, yes, that is moving toward 50, because 30 is on the way to 50 from 10. When we say we want to reach that—

An hon. Member: He thinks he is in caucus.

Mr. Trudeau: I am very happy to see that even some of the backbenchers understand this. I made it quite clear in my answer that we did not expect this to happen in one year; I said a period of five years.

An hon. Member: You are ready for the Senate.

Mr. Trudeau: I tell the hon. member—who may not be interested in the answer and more interested in making speeches—that if he is interested in Canadian ownership, the answer is in what we are doing. For example, when we get a commitment from a company that it will move toward a position of majority ownership over the next three or four