

*Foreign Control of Canadian Industries*

we get out of it? Some employment is provided and eventually we shall get something by way of taxation, though we shall have to weigh this against the concessions we have already made in connection with freight and tariffs. But when the mine is exhausted we shall be in the same position as we were when gold mining ended its profitable production. I am sure there is no one here who does not believe we ought to rely upon the economic aspirations of most Canadians who wish to develop vigorous industrial growth in this country rather than upon the aspirations of the Secretary of State (Mr. Pelletier).

To change the subject, let me refer to what the government has done or failed to do in the past. Over the years, with the exception of C. D. Howe, Walter Harris, Walter Gordon, and whoever was responsible for one particular measure put forward by the Conservatives, there has been no attempt on the part of national government to develop Canadian autonomy. In fact, the effort has been the other way in many instances. What has happened with respect to the insurance companies? We constantly find that large outside corporations are gobbling up insurance companies in Canada including some which had been established here for many years. I was talking to a gentleman in my office today. He told me that one of the reasons he wanted a particular piece of legislation to go through parliament was to prevent a take-over of a company which had been in existence here for about 120 years. I suggest some of the Liberals on the back benches should take a look at the legislation we have provided in this field.

Some may be aware that we in this party have been trying in a small way to oblige some of the major foreign insurance companies to develop plans to provide for Canadian majority control over a period of time. We are well aware of the weakness of such control systems, when it comes to the point. We are well aware that companies such as Argus, a holding company, does in effect exercise total control over its subsidiary companies. Nevertheless, what we advocate seems to be a step in the right direction. When we told companies such as Transcoastal Insurance that they should be willing within ten years to provide Canadians with an opportunity to buy stock and place control in the hands of Canadians it was found, to the surprise of the lawyers and others concerned, that if these companies did divest themselves of 51 per cent of the stock they would not be able to vote the 49 per cent remaining to them but

[Mr. Peters.]

would only be able to vote 10 per cent. Talk about stupid legislation. We have certainly made it difficult for Canadians to buy back Canada in many fields. I understand a recommendation is being made by the Superintendent of Insurance that this particular piece of legislation should be changed because of the obstacles it presents to the making or arrangements to allow Canadians to obtain control of undertakings which operate in this country.

Many countries across the world found it necessary to pass legislation to ensure the independence of their economies. Japan and West Germany are outstanding examples. I suppose no two countries were ever the recipients of more money than the Americans were willing to make available to these nations after the war. It is certainly to the credit of the American people that they were willing to allow nationalism to develop among the Japanese to the extent that the latter were able to pass legislation to ensure control of their own financial institutions and of their industry. How did Canada get into such a mess by allowing foreign capital to be invested in this country?

• (9:00 p.m.)

We need and would like to receive foreign capital. We do not yet have the ability to generate enough capital to continue as rapid an increase in productivity as we would like. Other countries are willing to allow foreign investment to a very large degree, but always in loan capital. They do not allow foreign investors to set up a company and control it; but they are allowed to put up the money and reap the reward in the marketplace.

Much of the money that has come into the municipal market in the last few years has been of this nature. Most municipalities, even some small ones in northern Ontario, go to the New York market to float their debentures and return to Canada with the capital they require. Surprisingly enough, New York investors have not asked for the ownership or control of the sidewalks, sewers and tax rolls in these communities. You might ask why this is so, Mr. Speaker. Perhaps they should, because that is what they did in the resource industries. However, they do not, and to me this indicates that the money is forthcoming as a result of the interest rate that can be expected from Canadian development. If we were to make investment subject to control of the type found in almost every other civilized country, we would find little opposition from the United States and little loss in our national standard of living.