

*Foreign Investment Review*

well-synchronized, well-controlled and well-adjusted economy.

Mr. Speaker, in order to produce heat, a furnace must be well-adjusted and equipped with thermostats designed to ensure comfortable living for the community.

Such is the way we can grow and develop, because we have got everything we need. Therefore, Mr. Speaker, there is no use wasting our time, blaming foreigners and adopting legislation to prevent them from coming and investing here. Let us settle down to work and let us use our economic tools for the good of our economy; each and every Canadian will fare better from it and will eventually become master of his own destiny.

• (2140)

[English]

**Mr. Paul Yewchuk (Athabasca):** Mr. Speaker, the stated intention of Bill C-132 is to keep effective control of the Canadian economy in Canadian hands. Taken by itself, this principle is something with which I think we all agree. But it seems to me the bill does not do that; it does not contain a mechanism to achieve this goal. The main thrust of this bill is typical of NDP and Liberal philosophy, namely, that the economy can be regulated through restriction in the negative sense.

The previous bill which was presented by this government a year ago was essentially of the same nature. It was designed to stop something from happening, namely, to stop the takeover of existing businesses by foreign enterprises, rather than to encourage something more desirable to happen. I think that puts in a nutshell the basic difference between the Liberal and NDP philosophy and the Conservative philosophy. They believe in restriction, and we believe in encouragement. That is a very significant difference.

The new bill, however, contains an innovation to deal with the establishment of new businesses. In general, one can easily say that this bill does not come to grips with the problem of foreign ownership in this country. It does not propose to do anything about the major portions of our economy that are already in foreign hands. In addition, the Gray report in 1969 showed that massive increases in foreign ownership within this country occurred as a result of the expansion of existing, foreign-controlled enterprises. This expansion, of course, is untouched by Bill C-132 except in the case where a foreign-controlled company may be expanding into a new and unrelated business. The present bill, therefore, is no substantial improvement over the previous one, since it is obvious that a policy ignoring this kind of expansion of existing, foreign-owned companies, which is in fact the largest contributor to the growth of foreign ownership in this country, obviously touches only the periphery of the foreign ownership problem.

Few issues before the Canadian public in the past ten years have aroused so much interest as the question of foreign ownership, and as well few issues have been treated with as little effort to resolve it by the government as that of foreign investment. To say the least, the approach so far has been one of ad hoc reaction. A review of the figures shows that in the production and manufacturing sectors, 99.7 per cent of petroleum and coal products, 81.3

[Mr. Latulippe.]

per cent of chemical products, 93 per cent of rubber products, 87 per cent of transport equipment and 72 per cent of machinery manufacturing are owned by foreign enterprises; and many others are 50 per cent or more foreign owned.

Public opinion research has shown a steady increase in the feeling among Canadians that foreign investment is a bad thing, and there has been a simultaneous decrease over the past few years in the number of people who feel that foreign investment in this country is a good thing. It would appear that rejection of foreign investment has been the least pronounced in the maritimes but varies somewhat in other regions of the country. Because of this, the policy must be developed in close consultation with the provinces, to ensure that the provinces are consulted and that regional differences are taken into account. While there is a clause which provides that industrial and economic policy objectives enunciated by the provinces would be taken into consideration, the bill sets up no guidelines by which the provinces will be consulted. It makes it possible for provincial issues to be taken into account, but any provincial consultation that could occur will be inconsequential to the bill itself.

If one looks at the unemployment figures in the various parts of the country, it becomes obvious why the concern for foreign investment varies. If it is a choice between having no job at all or having a job created by foreign investment, obviously Canadians would go for the job created by foreign investment. With that in mind, many factors have to be taken into consideration besides the emotion of economic nationalism. At best, the present proposal is a piecemeal approach which falls far short of the kind of decisive action that would be required to put Canada's economic future in Canadian hands.

This new bill suggests that government policy in this area is foggy, to say the least. The Prime Minister (Mr. Trudeau) once indicated that a foreign ownership policy would be complete enough to be an immediate guide for business decisions once it was announced, and that people would know how to conduct themselves from the day the statement was made. On reading the bill, can one really say that this kind of guide to business is being offered in it? I would say the answer is no. The uncertainty is still as great as ever.

The government is only playing games with nationalism by using vague phrases such as "significant benefit to Canada" which strike me as faint echoes of "the just society" and "the land is strong". I wonder if the Prime Minister is just making a few token gestures for the benefit of the nationalist voters in the same way as he plans economic conferences, to soothe one part of the country or another, or sets up the food prices committee to dispel the anger of the housewife. Or could it be that he is just making a token effort to appease the token party to my left, normally referred to as NDP but now having new initials, the NLR which is the "New Liberal Rump"?

**Some hon. Members:** Hear, hear!

**Mr. Yewchuk:** The hon. member for York South (Mr. Lewis) in a recent speech cited this government's new Bill C-132 as an example of the kind of good effect there has been on the Trudeau government from the NDP holding