

Foreign Investment Review

Therefore, what the corporations are doing is reinvesting their own profits, their own dividends, or they borrow money from Canadian banks and financial institutions and invest it for themselves in our country. They are taking your savings and mine, Mr. Speaker, and investing them to expand their enterprises in our country. I think some of these funds could be put to use by Canadian companies or through more public ownership of our economy, and more government leadership. We would have a much better economy as a result.

The other fact that came to my attention the other day was that between 1960 and 1969 we had in this country \$5.5 billion worth of investment from the United States. Meanwhile, we paid out of this country to financial concern in the United States in terms of dividends, profits, interest rates, royalties, fees, and so on, \$8 billion. We paid out \$2.5 billion more to U.S. companies and concerns than came back in terms of new investment from the United States. I think it is ample evidence that something is wrong when we export more money and more jobs than are coming into our country.

Some people have said that our party is being hypocritical, that indeed the NDP governments themselves go to the United States to borrow foreign funds. That is true; some of our governments have. But the point I want to make is that there is a real difference between loan capital and equity capital, in terms of investment. I remember that when the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was premier of Saskatchewan, the province developed the Saskatchewan Power Corporation which is publicly owned. If I am not mistaken, millions of dollars for the development of the corporation were borrowed in the U.S. money market. This was not equity investment; it was debt capital which is being repaid by the people of Saskatchewan. They have ownership and control of the Saskatchewan Power Corporation.

That is the type of thing we should be doing when it comes to foreign investment in our country. Every country in the world has a degree of foreign investment, but most countries have debt or loan capital rather than equity capital. It is as if you pay off a mortgage on a house and eventually own it. You certainly have control over the decisions that have to be made. Now I see that the Power Corporation in our province is making several million dollars a year in profit besides providing the Saskatchewan people with some of the lowest power rates in the Dominion of Canada. I think this is the direction in which we must go. This corporation is run on its own; it is not run out of the tax revenues of the province. It is a viable and profitable corporation.

I suggest that another source of revenue for Canadian investment would be some of the funds that are now invested by Canadians in other countries. Canada itself is somewhat imperialistic in economic terms. If you go down to Latin America, or countries such as Trinidad, Tobago and Jamaica, you see a high incidence of Canadian ownership and investment. I remember being in Jamaica two years ago, picking up a newspaper and seeing a headline reading "Jamaicanize the economy. Get rid of Canadian ownership." I remember being in Britain, standing on a street corner and seeing two or three Canadian-based multinational corporations.

[Mr. Nystrom.]

Indeed, a great amount of money is going out of this country into other countries. Much of this money could be channelled into the development of Canada. We could also make better use of the Canadian Development Corporation, but that is an argument I will not get into tonight. We should also do more to control Canadian chartered banks, finance companies and insurance companies and use their huge pools of capital to develop our country.

• (2030)

One hon. member earlier in this debate said that the Canadian chartered banks have assets of \$63 billion in this country and in other countries around the world, and that the Canadian insurance companies have \$117 billion in assets in Canada and elsewhere around the world. Much of this huge source of capital could be put to work right here in Canada in order to help the country develop and control its own economy.

I believe that we have lost a certain degree of our political autonomy. There have been times when a degree of foreign ownership has affected political decisions in this country. We can recall the time when we were not allowed to sell flour to Cuba and trucks to China, thanks largely to the fact that the headquarters of certain companies were in the United States. A few years ago there was the question of potash sales from my province to China. I am informed that American ownership barred that sale as well. Foreign ownership has an impact on the decision-making process in this country. These are some of the reasons why I and the people in my party are very concerned about foreign ownership in Canada. I believe this bill will go part way to remedy some of these problems, if it is properly administered.

In the few minutes remaining to me I would like to outline a number of other things that the government should be doing. First, Mr. Speaker, there should be investment controls regarding foreign ownership. Most other countries in the world have them—countries such as Mexico, Japan, the United Kingdom, France, Denmark and Sweden. In some areas they entirely prohibit foreign investment, and in others they set a certain limit on the degree of foreign investment allowed in a particular industry. Canada should be doing the same thing. We should have regulations whereby the majority on the boards of directors must be composed of Canadians, and whereby the management of companies must be by residents of this country. These are some of the basics, or preliminaries that this country should have taken action on years ago in terms of controlling our economy.

I also believe—and this is where some of the Conservatives will disagree with me—that there should be a great deal more public ownership of our economy in key areas such as resources, financial institutions, transportation and public utilities. These are some of the basics in our economy that should be owned and controlled by the people of Canada. These areas should not be exploited by others, and our people should not be exploited when they use the services provided. I believe that Bell telephone should be owned by the people of Canada because it provides a service. Organizations like Bell telephone should be prevented from exploiting the people of this country.