

*Foreign Investment Review*

Canadian industry with the same credits that had been refused the Canadians owner, that is to say the very same Canadian bank which refused the necessary financing to the Canadian industrialist will offer double the amount to an American who will become the new owner with disbursing more than 10 per cent of his asset.

• (1650)

I have concrete examples, Mr. Speaker, of the problem I just spoke about and this is why I am very surprised not to hear about that way of doing things from our banking institutions. However, the minister knows quite well that our banks favour foreigners a lot more than they do Canadians.

I have in mind an actual case of one of my friends who had an investment of over \$1 million and who only needed \$250,000 to avoid bankruptcy. No bank wanted to finance him, so he had two choices—bankruptcy or selling out to American interests. He chose the latter. Two days after the new American owner went to the same bank which had said it did not have the available money for the Canadian owner and received \$400,000 on the same collaterals.

That is the major cause of many business and industrial bankruptcies in Canada, the major cause of the transfer of our secondary and tertiary industries to foreign hands. I wonder when the minister will finally act and stop making studies whose results are already known to everybody.

The minister says that he will provide an incentive for Canadians to invest in their own industries. As a matter of fact we already have the 20 per cent tax reduction on the first \$50,000 of income of Canadian companies, but we will need more. This government will have to consider further participating in the promotion of mixed industry.

Obviously, we cannot recognize the socialist doctrine of the New Democratic Party whose only solution to the control of our economy is nationalization of our industries.

We are more democratic than they, and we do not want to do without the excellent asset that private enterprise, private initiative represents. We realize that it has performed miracles in the last centuries. We claim that today, because of the advent of the machine, electronics and all the scientific discoveries, the state must help the new large corporations develop themselves without dehumanizing society. If Canadians really want to own their economy, they will have to increase their participation.

Mr. Speaker, by participation I mean that of the employer as well as that of the employee. To my mind, the salvation and the recovery of our industries still depend on that participation; it is essential today because the businesses or industries whose owners have encouraged the participation of their staff or who simply gave their employees shares in the undertaking, are flourishing today. There are no strikes in those industries; the employees are interested and, of course, the owners make less income. Although they may get only 50 per cent of the income, they enjoy 90 per cent more security and obtain 90 per cent more services.

[Mr. Gauthier (Roberval)]

This is why I say that the secret of Canadian success would be to accelerate that participation through implementation of legislation favouring the investment of working capital in our industries. I think that by encouraging labour-management participation the minister would be taking a great step toward the control of our industries.

Some people tell us that we are against foreign investment in Canada, which is incorrect. In fact, we approve of it provided it is profitable to Canadians rather than simply providing white nigger jobs for French Canadians and letting the bigger revenues go to foreign countries while leaving us the crumbs.

That is not what we want. Everyone's participation is invited and we welcome foreign capital but here again, to the extent possible, the government should adopt legislation to control the inflow of foreign capital. This would entail payments of royalties instead of accepting this capital as if it were a favour.

In my opinion, we are doing foreigners a favour by allowing them to invest in Canada. Investors ought to pay their share of royalties. Then and then only shall we begin not to reject foreign capital but to welcome it as long as we obtain appropriate returns from it.

That is why I was pleased to hear the minister announce support for Canadian industries and grants necessary for their expansion.

The second issue raised by the minister is that Canada should derive maximum benefits from foreign capital.

That is our wish and you can be assured that on certain points we will give our support to the minister.

[English]

## MOTION TO ADJOURN UNDER STANDING ORDER 26

### COMMUNICATIONS

#### BELL CANADA RATE INCREASES

**Mr. Speaker:** Order, please. Before moving on to the next order of business, perhaps I should refer to the matter raised earlier today when the hon. member for York South (Mr. Lewis) proposed the adjournment of the House under Standing Order 26 to discuss an order of the Canadian Transport Commission.

Hon. members agreed with my suggestion that the Chair be given additional time to consider the proposed motion. When it came before the House, I expressed reservations about the adequacy of the debate on an adjournment motion to consider this important issue. At the same time I recognized that the motion deals with a suggestion that is national in scope and of urgent importance.

After much thought I can say that the apparent urgency of the matter, the fact that it is of national interest and concern and, a factor which is even more material, the fact that there does not appear to be an early opportunity for debate would suggest that it would be the general consensus of the House that the Chair should accept the