

do this without seriously impairing their ability to attract outside capital.

I would like to digress for a moment and indicate that I feel that the great conservatism of our Canadian banks and insurance companies and their reluctance to become involved in equity situations has played a significant role in permitting control of Canadian industry to move into foreign hands. This is one reason I was happy with the changes which the Minister of Finance made regarding life insurance companies. I believe that the new tax regulations pertaining to life insurance companies will do a great deal to pull them out of the traditional ultra-conservative habits and move them into a more dynamic role in the Canadian economy.

I was very happy to see the legislation recently introduced by the Minister of Consumer and Corporate Affairs (Mr. Basford) which requires much greater disclosure from private companies with assets in excess of \$3 million, as well as a much more detailed breakdown of financial detail on conglomerates. One of the problems pertaining to foreign ownership has been the lack of information about wholly owned subsidiaries. This proposed legislation which applies to Canadian and foreign owned companies will do a great deal to remedy that problem.

In conclusion, I do not believe that the twin objectives of a rising standard of living and maximization of Canadian sovereignty are irreconcilable. However, I do believe that it will require strong, vigorous and determined action by the government to achieve these objectives and I am optimistic that the legislation which will be introduced into this house over the next few months will do a great deal to assist us in moving toward these goals.

[Translation]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to take part in the debate on the motion introduced by the New Democratic party because it is of immediate concern to us. We have to consider this motion in order to know where we are going, with whom we are dealing and to know also what is exactly our economic position. The motion under consideration reads as follows:

That this house condemns the failure of the government to provide policies to prevent further takeovers of Canadian resources, industry and financial institutions by foreign corporations, thus

Foreign Control of Canadian Industries

increasing the danger of a foreign domination of Canada's economy and culture to the point where Canada's political independence is threatened.

We shall never achieve political independence as long as we do not have economic independence. We must be economically independent if we want to become politically independent. We shall achieve economic and political independence only through massive investments. At the present time, we let foreigners invest in Canada giving our own wealth as security while we could invest ourselves and use those same guarantees which we give to foreigners. We will achieve economic independence mainly if we use American, European and Japanese technology. The technology available to us can be used to achieve our goals, to become owners of our institutions, of our industry, of our trade.

At the present time, our trade falls into foreign hands. Everyday we learn about rather important businesses being sold to Americans. Why?—Is it because Canadians do not have what is necessary to operate those industries? It is rather because they are discouraged by taxes and they do not find the necessary capital to invest in those industries. Capital is needed to modernize them and add to them. New techniques as well as capital are also needed to organize all that and it cannot be found.

There are two kinds of capital, public capital and private capital. At the present time, the latter is being invested in the public sector. That is one of the reasons why there is no capital left for private industry.

At the present time, the federal, provincial and municipal governments and the school boards vie with one another in selling debentures and Canadians invest in public affairs, while they should invest in social and private affairs.

Mr. Speaker, the present system is illogical. It will never allow private enterprise to develop, or Canadians to invest heavily enough to take over the control of their industries, their businesses and their institutions. Because of the present system, we will never be able to do it.

When there is a depression, when we need credit, under the present system at every level of government, we go and borrow money from the Americans.

That is what happened when the time came to nationalize electricity in Quebec. The Americans invested in our resources, our