

ment of multinational corporations in the last half of the twentieth century, many difficulties have arisen. A multinational corporation of the United States operating in Canada serves as a means of draining brainpower while concentrating manual labour in one country and skilled workers in another. Quite often they frustrate geographical planning by the use of investment power. If allowed to locate development where they choose, they can redirect their investment power on an international scale, thus injuring the country in which there has been some control over or planning of investment.

• (2020)

Quite often they can regulate their income, their investment and their profits, if you like, so that they can pay taxes in whichever country has the lowest tax rate. This, once again, allows the corporation to play one country against another country for special concessions and breaks. This was pointed out in the budget brought down by the Minister of Finance (Mr. Turner), in terms of tax cuts.

Some people ask what is the future of multinational corporations. George Ball of the United States State Department says that the structure of multinational corporations will be used to develop a supernational world going beyond nationalism, where profit is the personal motive of economic development. He could be correct in some way. He could well be correct in pointing out that the multinational corporation may set up its own system of allowing the development of international government of a kind which I would find extremely threatening.

As many of my colleagues have pointed out, not only is there need for action by the national government of Canada in coming to grips with this problem and question of foreign ownership, which is not tackled by any means in this piece of legislation, but there is need for national governments be they in Great Britain, in Canada or in the United States, to re-examine our role with each other in terms of developing on the world scene a kind of international examination of the role of multinational corporations and the possibility of setting up certain aspects of international standards to deal with these multinational corporations.

So when it is suggested that there must be international co-operation, along with the government of Canada being prepared to tackle the problem, one can see how important it is that the government come to grips with this problem very soon. Governments will have to co-operate to force multinational corporations to disclose full information concerning their operations. To realize this one need only cite the example of secrecy surrounding, according to the Minister of Industry, Trade and Commerce (Mr. Pepin), the DISC program which I think in terms of the world scene has proven to be counterproductive.

Furthermore, governments among themselves should pass co-operative legislation to set up standard charters or documents of incorporation which would establish certain regulations and certain manners in which multinational corporations could deal with the economy. Governments should set up intergovernmental regulations for adjustment among themselves to prevent corporations

Foreign Takeovers Review Act

playing one government against another. They should consider government representation on boards of directors as well as partial public ownership as a mechanism of control. Governments should refuse corporations the right to operate without the government having a holding in them and setting up a joint holding body for the purpose.

What I am suggesting is that not only is the legislation introduced in this House completely ineffective in coming to grips with the issue of foreign ownership but, further, the government in co-operation with other governments on an international scale must come to grips with the matter of setting certain standards and regulations for the operation of multinational corporations.

Foreign ownership in Canada is neither a new issue nor an issue which will become old with time. It is perfectly obvious, by the introduction of this legislation, that the government sees very little need for tackling this important question which faces the Canadian economy. Throughout our history we have developed this country on the basis of opposing north-south development in such a sense as to fragment and break up the nation. Sir John A. Macdonald developed a plan to build the Canadian Pacific Railway in the manner in which he did, in the hope of avoiding control of that corporation by United States interests. There was great controversy, as there should well have been, concerning the way in which the CPR should be built. But one of the effectual and important things was that it was done in such a manner that there would be Canadian control as he saw it in the 1870s and 1880s.

We have developed our nation, as well, through disputes over the Alaska boundary and our concern about arrangements in respect of the international boundary with the United States. We established an international boundary commission to check into the matter of water resources. So since the early days of Canadian confederation we have continually, in one manner or another, sought to develop the kind of economy that would maintain our political independence from the United States of America.

By the 1960s we should have reached a decade of decision, but it passed without any decisions being made. We had report after report. I need not go into this. We had a call for action by different groups in our society in respect of an independent Canada. This involved people such as Walter Gordon. In 1961 the founding convention of the New Democratic Party called for the development of nationalism of a positive nature, not narrow nationalism such as was developed in the 1930s in Europe but positive nationalism which would show that we want Canada to remain a free, independent nation.

We expect this to be done only by a government which brings about a true concept of Canadian control of the economy. Control of the economy by a foreign country, no matter which one, brings about, in the political realm, a certain amount of loss of independence on the part of the people whether it be through Russian control of the Polish economy or United States control of ours. The dimension might be different but there is the fundamental question that people who do not control their economy cannot control their government and their democratic system.