

The Budget—Hon. M. Lambert

Mr. Turner (Ottawa-Carleton): I will miss my supper to listen to you.

Mr. Dinsdale: This is great stuff.

Mr. Lambert (Edmonton West): As I indicated the other night, over the months and the years we have spoken a great deal about the government's policy with regard to foreign investment. Then, the great day dawned. It was a grey dawn, covered with cloud. No sun shone on the Canadian scene as a result of that report. We got a picayune, repressive measure establishing a screening agency whose jurisdictional status is very much in doubt within the purely provincial realm. Frankly I expected the minister to do something about this matter because I think the Canadian public, particularly businessmen and the general investors, right down to the smallest buyer of mutual funds, expected the minister to drop the other shoe, the other half in what seemed to be a logical pattern in dealing with foreign ownership.

I can understand the setting up of a screening agency, but I do not agree with what is enunciated in that bill. On the other hand, I would have thought that the Minister of Finance would have brought in a fresh outlook, judging by his background and his statements regarding how he approaches his job and taking into account the complete bankruptcy of the previous policies of the government to which the minister makes more than incidental reference in his budget speech when he refers to the crippling effects of inflation. Who allowed inflation to go unchecked? The minister speaks about worrisome unemployment. Is the former minister of labour responsible for that? I do not think so. It is the general administration that is responsible. After all, the minister's predecessor took great credit when there was a momentary dip in the unemployment picture.

The Prime Minister (Mr. Trudeau) said that the problem of inflation was licked. I expected a fresh look at things, and I hope the Minister of Finance will take a fresh look in the immediate future. Perhaps he can agree to amend the bill and bring in another recommendation. What about bringing in some incentives to Canadians investing in Canadian enterprises? This does not mean the list which the minister trotted out the other afternoon in reply to a question of mine regarding interest being allowed on purchases by Canadian enterprises of other Canadian enterprises. This is one foot on the road to Damascus.

Mr. Knowles (Winnipeg North Centre): They are all on that road.

Mr. Lambert (Edmonton West): Then, there is the principal occupation rule.

Mr. Knowles (Winnipeg North Centre): It is crowded.

Mr. Lambert (Edmonton West): The hon. member was not a member of the Finance Committee. Those propositions were fostered three years ago in the Finance Committee.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit an interjection? When I interjected I was referring to the road to Damascus being crowded.

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): I was speaking about the principal occupation rule, which has been one of the real nemeses to Canadian participation. I was involved in the development of the oil business back in the early 1950's, and if there was one thing that really killed Canadians as independents participating in the development of oil leases and in obtaining oil leases, as well as holding profitable control of the industry, it was that silly bureaucratic rule made I do not know where, perhaps in central Canada, the rule about the principal occupation. The minister tells me that the government has made a gigantic step in regard to it.

Under Bill C-259 Canadian citizens are still 80 per cent behind Americans on searching, exploring and developing within Canada. An American citizen has an 80 per cent advantage over a Canadian in the research and development of resources in Canada. You ask what has hobbled Canadians. Why did we have this stupid rule regarding interest not being deductible when you are competing with Americans who have an advantage? The Prime Minister has said that living next to the Americans can be compared to a mouse sleeping next to an elephant. A grunt from the elephant is an earthquake to the mouse. With regard to so much development on an industrial basis, whether or not we recognize it, there is a geographic continental approach. The minister knows very well what obstacle there is to the flow of capital across the boundaries. It is nil. There is, in fact, a continental financial policy which has been in existence a long time. Our friends to the south had every advantage when they came into Canada, but under our tax laws Canadians are not even allowed to compete on even terms.

• (1540)

I am disappointed in the minister. I would have thought that he would have striven to give us at least competitive equality. I would go much further in this field, Mr. Speaker. I personally, and I believe with the support of Canadians, would be prepared to discriminate by incentives in favour of Canadians and Canadian companies, without any fear of retaliation or what-have-you from anybody else. You know, Mr. Speaker, when Canadians try to invest in other countries, and some do, again notwithstanding a few of the proposals in Bill C-259, they run into rules and regulations that are enforced on behalf of the nationals of the countries into which they are going, and nobody objects to that. Why will the minister not do something with regard to Canadian investors? Why will he not give them an opportunity? I do not mean that this necessarily should be an opportunity to buy back Canadian industry. I don't know that you can buy it back. That is a pipe dream in somebody's mind. Not all the people in the New Democratic Party believe in it. Members of the Waffle wing are living in a fool's world. They think they can buy it back.

Mr. Mackasey: They are listening behind the curtains.

Mr. Lambert (Edmonton West): Mr. Speaker, hon. gentlemen opposite can see what is going on behind me, and members behind and to the left of me will have opportunities to make their own speeches. There is no question of buying back; but is there no way of encouraging Canadians to get out of American equities, to encourage Canadi-