

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—TAKEOVERS OF CANADIAN RESOURCES, INDUSTRIES AND FINANCIAL INSTITUTIONS BY FOREIGN CORPORATIONS

The house resumed consideration of the motion of Mr. Lewis.

Mr. Barney Danson (York North): Mr. Speaker, I had intended to start by thanking the members of the New Democratic party for choosing a topic which is of general concern to many Canadians. I share that concern, but I reject their twisting of facts, their vitriolic diatribes, the bogeymen they raise and the silly, neat little packages they bring up which are based on complete misconceptions and by which they are trying to mislead a great many people who do not know any better.

I have here several pages of notes I have made which I thought would be constructive in respect of this debate and which would deal with their arguments and tear them apart, because this is what debate is all about, in order to try to get something constructive on the record. But when the hon. member for Skeena (Mr. Howard) gets up and makes the type of accusations he has made and uses the kind of tactics he has used, which are not really relevant to this debate at all, and makes remarks about the hon. member for London East (Mr. Turner), a respected member of this parliament, a hard working railway man and trade unionist, I do not think any comment is deserved. I could take page after page after page of the notes I have made during this debate. I think I have seven or eight pages now. These are notes in respect of the absolute nonsense which has been spoken here this afternoon. I do not think there is much point in this sort of thing if it just results in a vitriolic personal attack and this irrelevant nonsense which we have sat here and heard.

I am very deeply concerned about this problem. The members of my party know of that concern; so do my leader and the members of the cabinet. Constructively we want to do something about it. We have to keep it in balance. I am not an apologist for my party. I believe I am just half as sincere as the N.D.P. think they are. I believe we must put this thing in balance.

An hon. Member: Tell us what you think should be done.

Foreign Control of Canadian Industries

Mr. Danson: Well, I think I have some suggestions. I have made them. If you are really sincere about wanting to know, may I say that I made quite an extensive speech on this subject on November 19, which is recorded at pages 2916 to 2921 of *Hansard*. I shall not bore you with that again. I think, however, that I had something constructive to say then and will continue to say it.

I believe we want to keep the balance. In order to keep the balance we must see what the total picture is. We do have extensive reliance on foreign capital. This is by no means a recent or new phenomenon to Canadians. On the contrary, it has for generations been a key feature of Canada's development. Canada's abundant natural resources, spread over great distances, have taken tremendous amounts of capital and related management initiative and know-how to develop. But because of Canada's relatively sparse population the domestic supply of these essential nation-building resources has fallen well short of requirements, particularly in periods of rapid development. At the same time, almost limitless growth opportunities coupled with a tradition of stability in the economic and political environment have made Canada a generally attractive place for outside capital. As a consequence foreign participation in Canada's growth has been substantial.

A major portion—about half—of Canada's foreign indebtedness takes the form of direct participation in industrial operations. Foreign controlled enterprises account for approximately three-fifths of Canada's manufacturing and mining industries and nearly three-quarters of the oil and gas industry. This direct form of foreign investment brings major benefits to Canada.

First, direct foreign participation in Canadian enterprises provides not only needed capital funds but also new forms of technology and managerial know-how not otherwise available. I should like to deal with that later. Second, many foreign owned enterprises in resource fields have been developed to supply affiliated companies, thus contributing a greater degree of market stability than is customary in the marketing of basic materials. Third, the international company constitutes a ready-made avenue for the kind of international specialization needed to develop more productive industry. Results being achieved from the automotive program illustrate how foreign affiliates can be adapted to contribute to more productive industries