

Foreign Takeovers Review Act

kan ecologists can convince the United States government that a pipeline through Alaska is not in the best public interest.

• (2010)

In view of the efforts of the Alaska Chamber of Commerce and other people involved, including those who build tankers and people on the west coast and in the United States who need oil, it is likely the Alaska pipeline is the one that will be chosen. What about our own position? It is considered that a \$5 billion pipeline is clearly beyond our capacity as a nation to build on our own in the immediate future. This seems to be another example of what will happen without foreign investment because it will be a considerable time before a pipeline is built down the Mackenzie Valley.

The 13 Liberal rebels have expressed dissatisfaction with the government's proposed legislation. They consider it weak and inadequate. These hon. members are all from Ontario, the province which has benefited most from foreign investment as shown by the Ontario government survey. This is also the area which has access to large amounts of Canadian capital.

The proposed takeover committee implies massive government scrutiny of Canadian business. There is great concern professed in respect of what the private sector is doing, yet almost half our gross national income is being spent by the three levels of government. It is time the government reconsidered what it is doing. Surely there is now less leeway for the private sector to have initiative on its own. Presumably, in respect of foreign takeovers each company will be required to manufacture and trade in the interests of the country.

The greatest difficulty is, of course, that the committee will be almost completely political. We will have the same situation as under Bill C-176, the marketing act, where the government will determine where the agricultural industry is to be located. We already have, in the Canadian Dairy Commission, a body that locates industry using politics rather than the market as the determining factor. This new act also will allow the government to decide where industrial activity will take place in Canada. In view of the regional character of Canada, it seems to me past experience has shown that industrial activity will take place in those areas which have the largest representation in Parliament, and this means central Canada.

The necessity of the committee always making decisions with politics foremost in mind is the main weakness of this board concept. Surely the demand on the members of the committee will be so great that it will only make a superficial examination of takeovers. With all the questions involved, such as how many jobs will be created, will Canadian management be employed, will money be spent on research and development, and will export markets be developed—all very nebulous and difficult to answer—I do not think a committee could more than superficially examine any particular problem. Every new company hopes it can accomplish these things but only time will tell whether they are successful.

If the committee functions in any sort of meaningful way in attempting to assess any proposition, it will be years behind in that assessment. It will have many of the

[Mr. Ritchie.]

problems which face the Russian state planners. It seems likely that this committee in practice will not function unless it is willing to assume a very large role in the Canadian economy. It certainly is a vehicle by which discrimination against the peripheral parts of the country could be carried on. I hope that when the bill reaches committee many of these aspects in relation to the potentially very powerful committee will be thoroughly investigated. At that time we will have an opportunity to discuss how the committee might best function.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to participate in this debate because of its significance to the future of this country, about which my generation is very concerned, particularly in terms of the direction in which we move in controlling the operations of our economy and, in that respect, our society.

It is a long time since the original reports on foreign investment and ownership of Canadian industry were published. There was a great deal of expectation in society that this government, or any government, would make a concrete move in dealing with foreign investment and foreign ownership. We have heard a number of members, including members on the government side, express concern about measures proposed to deal with foreign control of our economy.

We have heard a great deal about foreign ownership being sovereignty versus multinational corporations. These corporations have developed under the British system on the basis of democratic control. Governments are concerned with seeing that the needs of people are met and governments must deal in politics. But multinational or domestic corporations are concerned only with one aspect of the lives of people. There is a fundamental difference between the role of the multinational corporation and the role of the government.

When societies such as that of the United States were developed with foreign capital, in most cases investment from Great Britain, those societies maintained control and ownership of property. In this way there was mainly a development of domestic firms. These firms are responsible to the government to the extent that government is representative of the people. Domestic firms were easily controlled, regulated and watched. But in our society in the second half of the twentieth century there has been a fundamental change from sovereignty and national government to international corporations, so that governments such as ours and those of the United States and Great Britain, are caught in a complex situation, having to play one interest against the other. Because of the essential interests of multinational corporations, the government of the United States has been put in the position of having to adopt legislation such as DISC in an attempt to involve these corporations in domestic production. Whenever this is done it immediately affects the economy of countries such as Canada because these countries have allowed their economies to fall into the hands of foreign ownership, thus losing sovereignty in a good many respects.

This difficulty becomes greater when political parties are financed by the corporate aspect of the economy, because it is their responsibility to continue their position of economic power. Because of the manner of develop-