

Foreign Takeovers Review Act

company, inasmuch as it operates in Canada, but it does its best to make money and to swallow up its competitors. It is trying to buy out Versatile. That process, of course, is natural, and governments should see to it that Canadian businesses can carry out business throughout Canada. Galbraith once said that it would not surprise him, when great corporations come to be more closely associated with the state, if the state were to turn such corporations into public bodies. I doubt if the NDP or the present government would reject that idea.

The bulwark of democracy and freedom lies in the middle class, in the middle income groups and in the blue collar worker. This is the group we must expand. What has the government done through its budgets and tax measures? It has repeatedly placed too great a burden on the middle income workers and blue collar workers of Canada. They are repeatedly overtaxed by this government and their numbers are shrinking. The group that is on welfare and unemployed has become enlarged; there are more rich, but the middle income group is shrinking. Canadians must be induced to invest in Canada. How can this be done? I suggest, it can be done through a tax credit system under which Canadians investing in Canadian companies would be allowed tax exemptions of so much per year, up to a maximum of \$10,000, say. That is how we can encourage Canadians to invest in Canada, particularly in industries that bring the greatest benefits to particular regions.

In closing, Mr. Speaker, may I say to the minister that, in view of the controversy surrounding this bill, I hope it will be studied exhaustively in committee. I hope witnesses will be called and that those witnesses will be given ample time to prepare briefs on this legislation. This step is an initial step; let us make it a correct step, because governments rarely go back after that first step. If we are to build on this legislation, let us build something which will create the climate for putting more Canadians back in the work force.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I believe there is a consensus in this House to the effect that the problem of foreign direct investment in Canada is and should be a matter of vital national concern.

Mr. Woolliams: Better watch those car factories.

Mr. MacGuigan: In a situation in which nearly 60 per cent of manufacturing industry in Canada is foreign controlled, a percentage which, according to the group headed by my Windsor colleague, the Minister of National Revenue (Mr. Gray), is the highest among industrialized nations of the world, I do not think I need to document the reasons for this concern. Although I regret that my colleague, the hon. member for Fort William (Mr. Badanai) yesterday placed himself outside this consensus, it nevertheless exists in this House.

The present consensus in this House is not necessarily indicative of the general attitude of Canadians. I want to refer briefly to a poll which was conducted by Omnifax in Toronto for the CTV network last fall and released on the program "The Canadian Dilemma" on December 5, 1971. The question asked was the following:

[Mr. Horner.]

• (1650)

Do you feel that the current level of American investment is too high, too low, or about right?

The percentage of people across Canada who felt that American investment was too high was 62.2 per cent. The percentages ranged from 47.5 per cent in Quebec to 58.3 per cent in the Atlantic provinces to 66.1 per cent in Ontario to 74.8 per cent in the west. These were the percentages of people who thought that the current level of American investment in Canada was too high. These results do not quite square with those which the hon. member for Palliser (Mr. Schumacher) presented to us yesterday as the result of his questionnaire. He found that his people were evenly divided. However, the question which was posed in his questionnaire had to do with foreign investment in general, and not just American investment. It also referred to action rather than a mere expression of feeling.

Following the precedent of the hon. member for Palliser, I want to refer briefly to a questionnaire which I sent out this spring. I am just going to give the percentages on one side because that gives the picture of the result.

Do you feel that the present level of American investment in Canada is too high?

Sixty-eight point nine per cent said yes.

Do you feel that the Federal Government should establish a screening agency to regulate the level and conditions of foreign investment in Canada?

Eight-four point eight per cent said yes.

Do you feel that there is too much American influence in labour unions in Canada?

Seventy-six point six per cent said yes.

Would you favour Federal Government action to control this problem that is, the problem of American influence in labour unions?

Sixty-seven point one per cent said yes.

Do you feel that there should be further financial incentives (loans, tax incentives) to encourage Canadians to invest in their economy?

Eighty-nine point five per cent said yes.

I think these figures show that the problem of foreign investment in Canada is generally recognized. The disagreement, of course, is over the solution to the problem. If this bill were intended to be a complete solution to the problem of foreign investment in Canada, it would be completely inadequate. Fortunately, it is not being presented in this light by the government, but rather is one in a continuing series of steps, and focuses on the particular problem of takeovers.

Others have reviewed the steps which the government has taken in the past few years. I do not propose to review all of them, but I will mention several. First, I refer to the recent budget in which there was a reduction of taxation beginning on January 1 of next year for manufacturing businesses, thereby giving an advantage to manufacturing businesses over extractive industries. The figures presented by the hon. member for Duvernay (Mr. Kierans), that \$1 billion of exports of manufactured goods contains \$230 million in salaries and wages while \$1 billion in exports of resources pays only \$68 million in salaries and wages are,