

*Supply*

time to return to the conference where I and my colleagues are representing our country and hosting our international visitors.

The Cairns meeting is making a determined effort to help the hard-pressed farmers of this and other countries, as the Prime Minister (Mr. Mulroney) noted today in his opening remarks. Canadian farmers know this Government is at the forefront of attempting to solve this and other international trade problems.

There was a time, Mr. Speaker, when the New Democrats, misguided as they often are, were honest and straightforward, but what we have here today is a motion from that Member which *Saturday Night* magazine described as knowing everything about the economy except how to make it work. It is scare mongering of the worst kind. It has no basis in fact or in logic. Let me once more, as I have in this House before, make the record clear, as plainly and as bluntly as I can, clear enough so that the Members from Essex—Windsor and Winnipeg—Fort Garry can understand it.

I am informed that there is no, and I repeat no, U.S. demand for unlimited or unfettered investment freedom in Canada on the negotiating table. If there were, it would be rejected. We would refuse. Our negotiator knows that. Any such arrangement would have to be reciprocal, and the U.S. itself is in no position to deliver. Indeed, the U.S. itself limits foreign investment in certain key sectors. It restricts access in such areas as aviation, broadcasting and telecommunications, to name but a few.

The trade Bill which recently passed the American House of Representatives calls for a review of foreign investment on the grounds of "national security" and "essential commerce". That Bill would empower the administration to block those investments which might have a negative impact in those areas. This is symbolic of the growing protectionist mood in the United States.

My Cabinet colleagues, including the Prime Minister and the Secretary of State for External Affairs (Mr. Clark), other Ministers and myself, have repeatedly said in this House and elsewhere that any free trade deal with the United States will protect our political sovereignty and our cultural identity. In fact, just two months ago this House overwhelmingly passed a resolution saying just that.

Part of that political sovereignty, of course, is to make decisions in the best economic interests of Canada. Unlike those in the Opposition, this Government does not believe that foreign investment is automatically evil. I am really surprised at the Hon. Member for bringing this motion forward. His own leader in his own riding of Oshawa is heavily dependent upon foreign investment from the U.S. to maintain the jobs of his own voters. I find it so inconsistent that the Leader of the New Democratic Party (Mr. Broadbent) owes his presence in the House to voters who are on the payroll of American companies, yet his Party comes here regularly to dump on American investment and those American companies.

We believe that foreign investment can create jobs, which we all need in Canada. That is why we dismantled the National Energy Program. That is why we changed the Foreign Investment Review Agency to Investment Canada and welcomed foreign investment from all countries to Canada. Last year we had record levels of foreign investment. I spend a lot of my time, as do my Cabinet colleagues, travelling to countries saying, please bring your money to Canada, invest and create new jobs for Canadians. Perhaps the advantages of this approach are finally getting through to the Hon. Member for Essex—Windsor, because I noticed in his motion he admits, reluctantly, that investment can create jobs.

My colleague, the Minister of Regional Industrial Expansion (Mr. Côté) will deal with the inaccurate assertions made by the Opposition regarding investment and job creation. The Opposition has referred to Investment Canada's annual report and has misconstrued the meaning of certain statistics contained in it.

The more accurate way to describe what is happening to the economy is to state that 60 per cent of the investment transactions recorded by Investment Canada were acquisitions, and 40 per cent were new businesses. The Opposition has focused, of course, on the asset values and not on the business values. Acquisitions are usually made up of businesses with well established asset bases. Business values reflect only the modest short-term start up costs of new businesses which are established by foreign investment. They do not reflect the growth potential and the employment potential of a new business.

In this regard, from July 1, 1985, to December 31, 1986, the number of new businesses under the Investment Canada Act totalled 573. That is 573 new employers, Mr. Speaker. Those new businesses created new jobs. It shows that the investment climate which this Government has created is attracting investment and creating those jobs which we promised Canadians.

What we have now, by our choice and through our policies, is an open investment climate with protection for key areas. We are having a hard time getting over the bad image left by the previous administration in this area. When I do travel abroad I am always told, "Well, Canada is supposed to be unfriendly to foreign investment. It expropriated property under the National Energy Program and turned away investment". We lost jobs and capital, which we needed, at a great rate. Our oil industry got shut down, which created devastation for whole sectors of our economy.

What is all the furor that we hear from the masters of fear tactics across the way? Is the Opposition opposed to new investment? Is the Hon. Member for Oshawa opposed to foreign investment? If the opposition Members are opposed to the creation of jobs, they will have to answer to the people of Canada.

I want to deal with our negotiator's mandate, which I have dealt with in this House in a very open way on many occasions. As I have said, he has a mandate from Cabinet to discuss