

Investment Canada Act

Members opposite did not understand how it worked and they still don't. The Minister has been so blinded and conditioned for so long that he refuses to understand that the Foreign Investment Review Agency was an instrument designed to ensure that there was benefit from that capital for Canadians.

The end result of what the Minister is now doing is that Canadian companies which have developed a new technology, a value-added manufacturing base, can be acquired without any requirement or condition, and the benefits of that research and development or technology will not be given to Canadians but will be given to foreigners. Therefore, the net result of the Minister's initiative will not be the ability of Canadians to build a highly knowledge-intensive industry base, either in its traditional industries or its new industries, and we will run the real danger of having those attributes and assets stripped from Canadian companies and taken somewhere else. If the Minister thinks that that is going to create a place for Canada to compete in a highly competitive international atmosphere and environment, then, Mr. Speaker, he is out to lunch—

Mr. Caccia: He is dreaming in colour.

Mr. Axworthy: —and performing a serious disservice to the Canadian economy and to the Canadian business community.

Mr. Gustafson: You have been out to lunch for 16 years.

Mr. Axworthy: What interests me about the grand claims made for Investment Canada is that it is just not for foreign investment, it is going to be for all investment. We are going to have one central agency which will provide the stimulus and be the catalyst for all Canadian investors. But what does this legislation empower the Minister to do? He is empowered to publish a few pamphlets, from the looks of it. There is nothing in this legislation which provides any incentive, any more flexible opportunity for Canadian small business whatsoever. There is nothing here. It is a camouflage. It is a phony. It is a subterfuge. It is cosmetics. There is nothing which will enable the Canadian small business community to develop more capital.

Why has this Government been so reluctant and evasive in providing the kind of stimulus for small business when there is a full amount of capital in this country? We are the largest savers in the world. Thirteen per cent of our disposable income is in savings. Why is there not something in this legislation, or in the initiatives put forward by the Minister of Finance, to unlock that capital for equity or venture purposes for small business?

Mr. Stevens: It is in there.

Mr. Axworthy: There is nothing in there at all. The Minister can provide a few pamphlets. However, Mr. Speaker, as part of the Investment Canada initiative, for example, one idea should have been to fold in the Federal Business Development Bank as part of the operation so that Canadian investors could have a proper loan guarantee position available to them to invest in these areas.

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Why has the Government been absolutely silent on the issue of a competition Bill? We tried several times, over their opposition, to bring in a Bill to allow for more competition in the business community. Why has the Government been reluctant to do the same? It is because we know in whose back pockets they belong. This is not a Government that really believes in competition. It does not really believe in breaking up the concentration of capital.

Part of the problem in this country has been far too much concentration of capital in large corporations. We know that job creation will take place primarily in the small and medium business sector, not in the large companies. In fact, there have been net job losses in the large companies. The major job creation will take place in the small business sector. From comparative studies between small business in Canada and the U.S. we know that the same percentage of new businesses emerges each year in the small business sector but they tend to hit a dead zone area and find it more difficult to expand and become medium or large size.

One of the reasons for that is our financial system. It is too rigid, too structured, and there is not enough venture and investment capital. But nothing this Government has done, either in this legislation or in the initiatives of the Minister of Finance, provides any opportunity for Canadian business in this area.

I hear the Minister of Regional Industrial Expansion was eloquent about how he wants to create jobs. I am in favour of that, no problem; but let us see what he is going to do. He says it is in the legislation, but where? Where is the policy or the program? Where is the freeing up of the economic rules and framework to allow that flow of capital to emerge? For example, when we were in government we initiated major programs of deregulation. We brought more competition into the transportation industry, specifically airline and trucking. We believed there had to be more scope for private innovation and competition. But where have we gone since then? The economic statement of the Minister of Finance added substantial new charges to the transportation industry which will detract from the industry's ability to take advantage of deregulation. They now face higher costs because of government action. We have this group of people who get up on every platform across the country and preach a theology of innovation and competition, and then turn around and increase costs for the small business community of Canada.

This is flip-flop, Mr. Speaker. They say one thing and do another. They have wonderful rhetoric but when you look at the real nature of their actions, you see a very different picture. They are so obsessed and mesmerized by the deficit reduction theology they have that they are now restricting the channels and opportunities for growth. They have dampened the opportunities for growth through these measures of heavier government spending, heavier government costs. The opportunity for the business community and consumers generally to have more money in their pockets through competition has thereby been lost.