

*Adjournment Debate*

we are proud to be Canadians, and intend to promote growth in the country for and on behalf of Canadians.

**Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Mr. Speaker, I want to thank the Hon. Member for his concern. We on this side of the House are also very concerned about the problem the Hon. Member has raised.

[*Translation*]

Mr. Speaker, I would like to point out that the point raised by the Hon. Member is indeed a problem for the Department, that is, to find out whether companies are preventing foreign branch plants of those companies from exporting outside the country. We were very pleased to receive the information relating to the point raised by the Hon. Member, and the Minister of State (International Trade) (Mr. Regan) is already having a complete check done as a result of the question put by the Hon. Member.

It is of course a fact that it is often very difficult to know what the actual intentions of such companies are, and to judge to what extent artificial competition may be involved. I feel it is therefore important to get to the bottom of this question in order to ensure that the objectives of the Foreign Investment Review Act and FIRA are indeed being observed. We often hear many comments from people who disagree with the objectives of FIRA. The Hon. Member has just asked that not only the objectives but also the mechanisms of FIRA be expanded. There is some controversy on this point, but what we must bear in mind at this point in the debate is the need to ensure that when foreign companies allow branch plants to set up in Canada, such action is beneficial to Canadians and the Canadian market, and also that a real export market exists. In fact, the Act is very specific in that respect, Mr. Speaker. The Act says among other things, that normally in the first case, the Government would ask foreign controlled companies to, and I quote:

Make an effort to obtain a full international mandate in terms of innovation and market development, when they can thus increase their effectiveness by specializing in profitable activity.

Secondly, the Government asks branch plants to, and I quote:

Be active on all markets, both abroad and in Canada; to be prepared to develop new markets.

I think what the Hon. Member is asking is that we ensure that branch plants play a truly active role in Canada in creating jobs and seeking new markets by every possible means, and that they stop hiding behind a smokescreen of artificial competition which runs counter to Canadian interests, both with respect to the manpower aspect and international trade.

Mr. Speaker, in concluding, I would like to say that our concern about artificial restrictions imposed on branch plants of foreign companies is justified. The Hon. Member has

provided my colleague, the Minister of State (International Trade) with a copy of an agreement according to which such restrictions were imposed. The Hon. Member has received the assurance that an exhaustive enquiry will be held, and the Minister will of course be communicating the results to the Hon. Member as soon as the enquiry is completed.

• (1820)

AIR CANADA—STATUS OF RCMP INQUIRY INTO TRANSFER OF HEADQUARTERS

**Hon. Roch La Salle (Joliette):** Mr. Speaker, I put a question to the Solicitor General (Mr. Kaplan) on March 7 last, but he chose to remain seated and let the Minister of Justice (Mr. MacGuigan) answer the question. I asked the question very simply and in the public interest to find out about the status of the RCMP inquiry ordered by the Minister of Justice into the transfer of Air Canada's Montreal headquarters.

Mr. Speaker, perhaps I should say that, with a view to obtaining more information, I put a question to the Minister of Transport (Mr. Pepin) on December 9, 1982 concerning the transfer of the head office following offers made by real estate developers, and that this deal was probably going to cost \$10 million more than it should have. The Minister told me on December 9 that this amount of \$10 million was pure fantasy. I also asked him that question because the Trizec Company was so sure to get the contract that it had advertised in *The Gazette* that it would have an important announcement to make the following Thursday. So, Mr. Speaker, it is fair to presume that interested parties kept a close watch on that deal. The same day, December 9, I asked the Minister whether he was aware of an RCMP inquiry into that contract. The Minister never did confirm that there was an inquiry, and he simply said that he was keeping the matter under close consideration, that there was nothing to worry about, and that the \$10 million was pure fantasy.

Again on December 21, 1982, I asked a question to the Minister to find out whether he had asked for an inquiry into the Air Canada head office transaction because of the huge difference between the two proposals by Trizec and Gagnon and Archambault, whereas the day before, December 20, he had acknowledged in answer to questions of the Leader of the Opposition that the Royal Canadian Mounted Police was indeed making an inquiry.

Mr. Speaker, since \$10 million are involved and the public has a right to be kept informed, especially in view of the fact that the Government is now speaking about the need to borrow \$19 billion, we are entitled to ask why Air Canada chose the second lowest bid which was \$10 million higher than the lowest one.

I also wonder why the Minister of Transport (Mr. Pepin) refused to tell me that an investigation had been undertaken. I still want to know why Air Canada deemed it preferable to rent its new headquarters at \$140 a square foot rather than at