

Foreign Investment Review Agency

Thus in the minds of members of the public there is some doubt as to whether there is any strength to the original agreements, and we are therefore somewhat concerned about enforcement. "We need more data to maintain public confidence in the integrity of the process". That statement was made by the present Minister of Industry, Trade and Commerce (Mr. Gray).

It is interesting that in the 1979-1980 annual report on the Foreign Investment Review Act we find that following the election on February 18, 1980, the minister to whom I have referred, the Minister of Industry, Trade and Commerce, became the minister responsible for the administration of the Foreign Investment Review Act. This gentleman was the head of a group which was established in 1970 to analyse foreign investment in Canada and to recommend appropriate policy measures to the government of the day.

The group's 1972 report, "Foreign Direct Investment in Canada," led to the enactment of the Foreign Investment Review Act and to the creation of the Foreign Investment Review Agency. Most acquisitions are by non-Canadians, and this also applies to new businesses.

I want to talk now about the number of cases which are going through. In 1976 the number of reviewable new business cases was 196. This number increased in 1977 to 328; in 1978 to 331; and in 1979 to 379. The total number of cases resolved in those years increased from 144 in 1976 to 373 in 1979. It is interesting to note in those same years that the amount of investment in millions of dollars decreased from \$803 million in 1977 to \$202 million in 1979. I have not received an explanation for that drop in the dollar total of investment.

To complete the package, reviewable acquisition cases amounted to a total of 171 in 1976 and increased in number to 261 in 1977, 360 in 1978 and 380 in 1979. The total number resolved increased from 160 in 1976 to a total of 372 in 1979.

The work which was being done by the Foreign Investment Review Agency appeared to be improving in terms of productivity. Why, then, am I concerned today? I should say that just by coincidence, when I was in Montreal last night, the president of a foreign-owned company made a point of complimenting the Foreign Investment Review Agency on the manner in which it had efficiently handled applications by his firm for acquisitions in Canada. That said, however, the reason I am concerned is that within the past short period of time I have received complaints from three different companies about delays in getting their applications through FIRA. I feel that we are facing a rather difficult and possibly a political situation here, something about which, frankly, I am not necessarily happy.

I will explain. For fiscal year 1979-1980 the agency received a budgetary allotment of \$3.779 million, and that was to be for 116 person-years. As a result of the government's restraint program actual expenditure was \$3,507,710, and 108 person-years were utilized. It is abundantly clear from the figures I have put on the record that the number of applications is increasing each year.

It is apparent that the agency is doing its best to cope with the increased workload being brought to it. However, if it is not given the tools with which to work, essentially its budgets, so that it can hire personnel, then obviously there will be a slowing down in its operation. I suggested this is probably the problem some companies are facing today, particularly those companies which have been complaining to me personally about the length of time it takes for their applications to be processed.

The obvious benefits flowing from the work of the agency are mentioned in its report, which says that in the five years to the end of March, 1979, the agency's proposals provided for the direct creation of almost 52,000 jobs. Many thousands of additional jobs have been or will be created indirectly through the multiplier effect of these investments.

In the last two minutes remaining to me I should explain one other point which is bothering me. I say this without trying to be at all unkind to the minister. I feel the Minister of Industry, Trade and Commerce was trying to put us on the right track in the work he did back in 1972. I was personally the chairman of the standing committee which was responsible for putting this act through the committee stage and bringing it back into the House.

I expressed concern then, and I have expressed concern since, not about the act as it was written, but about the possibility that administrative difficulties could result in delays which would have an effect on foreign investment, not intended by the act itself. I have inquired as to whether it is possible that our minister, using his ministerial prerogative, is asking additional questions or in any way acting as a brake to try to hold up the rate at which these applications are being processed. I reiterate that in a general sense the operation of the agency is considered satisfactory.

● (1720)

I suggest first, that if by an increased number of applications their workload has been increased, if the actions of a minister justify this and the amount of work which they have to do to satisfy his requirement has been increased, then the proper way to ensure that these applications can still be processed on time is to give them the tools they need, which would be an increased budget and an increased number of trained persons to handle the increased workload. If the parliamentary secretary who will reply will assure me that that is the intention of the Department of Industry, Trade and Commerce, I would be very happy to receive that news this afternoon.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the motion refers to an undertaking given to the Crown in 1976 by Redpath Industries Limited of Montreal and its parent company, Tate & Lyle Holdings Ltd. of England. This undertaking was given in consideration of the allowance by the governor in council of the acquisition by Redpath of two Canadian companies: Merry Packaging Limited of Don Mills, Ontario, a custom supplier of flexible packaging material, and Holway