

ments to good labour relations because that too is crucial within our country. The strategy of our amendments will be a strategy that attempts to make the whole process of review more public. Second, it will try to be even more activist in encouraging Canadian investment within our economy. It will be a strategy that will broaden the range of items to be reviewed because of the necessity to flash signals to investors of what we as a country expect them to contribute to our country and our community.

We hope to see improvements in the criteria that are provided to establish what a net benefit is to Canada in the process of take-over. We hope to clarify the cultural heritage clause of this Bill. In addition, we hope to be able to plug some important financial loopholes which have emerged in the course of detailed scrutiny of this Bill. For instance, those loopholes leave us not even looking at the financial situation of companies intending to take over Canadian companies during the review process according to these criteria.

We have a set of concerns about whether this Act inadvertently leaves out of the review process some very important considerations which I think the Government would not want to have left out. Branches of American companies, for instance, need to be reviewed if an indirect take-over is likely to lead to consequences for them and the communities within which they reside in Canada. As well, we need to have a clear definition of what the asset level is of companies which are going to be reviewed. We need to have a sense of what control really represents. We will be offering amendments that attempt to control and improve the financial aspects and details of this Bill through suggestions that will tighten up the wording of the Act.

We start with a basic thrust that there must be a commitment by government to the communities across this country when something takes place that threatens those communities. I refer to take-overs that threaten the jobs of workers, as was the case of Black & Decker, or when a Canadian company goes bankrupt and has to sell its assets, as is happening with a stampings firm now in Smith Falls, about which the Premier of Ontario has expressed concern. When we see cases of companies shutting down, companies rationalizing, jobs being lost, opportunities for Canadian entrepreneurs and opportunities for Canadian communities lost, we see that government has a role and a responsibility. There is a leadership which this Bill should recognize to take and establish the terms and conditions under which we as a country and our communities across this country can expect the very best and most benefits from foreign investment.

We have to make a commitment right at the start of this Bill that we as a country and as a Parliament are taking that leadership. We must recognize our responsibility to set the terms and conditions under which increased investment and increases in technology will be made to contribute rather than to counteract the economic growth that this country requires.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I will introduce my comments by simply saying that the words in support of his motion

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expressed by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and backed up by his buddy, the Hon. Member for Essex-Windsor (Mr. Langdon), were very similar to what we heard when the Bill was before the committee for such a long period of time.

We are dealing with a very fundamental difference between what the Socialist Party seem to espouse as expressed by the Hon. Member for Essex-Windsor, and to a great extent what the Official Opposition feel likewise to be the case. In considering Clause 2, which after all is the purpose of the Bill, and this is a very fundamental thing that we are dealing with, it is wise to remember what we are proposing to change. I felt that it might be good for the record what the existing Foreign Investment Review Act says under the purpose clause. It was passed in 1974, over 10 years ago, by the Government in power, now the Official Opposition, supported enthusiastically by the Socialists who were the rump group in the Parliament which maintained the Government of that day. This is what the Foreign Investment Review Act says:

This Act is enacted by the Parliament of Canada in recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern, and that it is therefore expedient to establish a means by which measures may be taken under the authority of Parliament to ensure that, in so far as is practicable after the enactment of this Act, control of Canadian business enterprises may be acquired by persons other than Canadians, and new businesses may be established in Canada by persons, other than Canadians, who are not already carrying on business in Canada or whose new businesses in Canada would be unrelated to the businesses already being carried on by them in Canada, only if it has been assessed that the acquisition of control of those enterprises or the establishment of those new businesses, as the case may be, by those persons is or is likely to be of significant benefit to Canada, having regard to all of the factors to be taken into account under this Act for that purpose.

● (1140)

The reason I read that into the record is because we must think of its tone. We must think of how offensive that purpose sounds to those who happen to be non-Canadians but might be considering investment in this country.

The reason we felt it was so important to change this type of image is that the record has shown, notwithstanding what the Hon. Member for Essex-Windsor (Mr. Langdon) has stated, that there has been a significant deterioration in this country with respect to job creation and with respect to the inward flow of capital to Canada. In short, the unemployment level of over 11 per cent that we inherited from the previous Government was due in large part to the fact that this type of legislation and its administration tended to kill the natural flow of economic funds that would benefit Canadians.

This debate is about jobs for Canadians. It is time the Socialists and their allies in the Official Opposition levelled with the Canadian public. To the extent that they are trying to frustrate the passage of this legislation, they are denying the creation of wealth in this country for Canadians and, most important, they are denying the creation of jobs for Canadians.