

I should like to point out one fact of which we should all be aware. In the spring of 1974, Gallup conducted a poll asking the following question: "Would you favour or oppose legislation which would significantly restrict and control further foreign investment in Canada?" That question goes much further than what is suggested in this amendment, but in reply to the question the national consensus was that 69 per cent of Canadians were in favour of such legislation whereas only 18 per cent were opposed.

Every region of Canada favoured such restrictive legislation. In the Atlantic region, 69 per cent favoured such restrictive legislation and 20 per cent were opposed to it. In Quebec, 59 per cent were in favour of restrictive legislation and 21 per cent were against. In Ontario, 72 per cent were in favour of such restrictive legislation and 17 per cent were against. On the prairies, 71 per cent were in favour, as opposed to 19 per cent against. In British Columbia—this was the highest figure—it was 77 per cent in favour of such restrictive legislation, with 16 per cent opposed. It is obvious that the Canadian people are saying something not only as a result of this poll but because of many other things: they want more Canadian ownership.

● (1240)

This amendment is designed to promote and encourage more Canadian ownership by reserving this large pool of funds for Canadian small businesses to expand. It has been suggested that the amendment is not really that important. I do not hesitate in saying that I am not going as far in this amendment as the poll would indicate people want restrictive legislation to go, but this is only one small measure or funding mechanism that we have in this country.

It was suggested in committee that only 1 per cent or 2 per cent of present IDB funds go to enterprises which are foreign owned. This is the evidence from the mouth of the general manager, Mr. Clark, who said he thought it was less than 1 per cent. However, he indicated that there had been a study which indicated it was, at most, 2 per cent; but when I asked for more information about this study it became evident that the figure was really a guesstimate rather than firm evidence. The information was that they reviewed the applications for a period of three or four months during the year 1972, or at least that is what he thought. Surely that is not a very valid statistic.

He believes it was the year 1972 and that is all that is indicated in the minutes. He thought it was for a period of three or four months but perhaps the applications reviewed were for the four-month period following, rather than during, that period. We do not know for sure. This is just not a very believable statistic. If that estimate is reasonably accurate, I hope the government will endorse this amendment because, obviously, we are not going to make great waves in the capital market.

According to the evidence given before the committee, the bank does not even keep statistics as to whether loans are made to enterprises that are foreign owned. The only review the bank has had is the one in respect of the four-month period. I think we must ask ourselves why such a small percentage is involved. We had evidence by the general manager of the Industrial Development Bank

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to the effect that there is an internal bank directive to managers, instructing them not to lend funds to foreigners for the purpose of buying out or taking over Canadian-owned enterprises. That being the case, why do we not make this the law?

**Mr. Gillespie:** We did, and it is called the Foreign Investment Review Act.

**Mr. Dick:** We will get to that in a few moments. What concerns me is that the bank has a directive which can be changed tomorrow making it possible for the bank to make 25 per cent, 35 per cent or 40 per cent of its loans to foreign-owned enterprises. Even the hon. member for Scarborough East (Mr. O'Connell)—now back in the House after the election this year—inquired quite forcefully whether the general manager would put out a second directive to ensure that the bank would not lend to foreign-owned enterprises, allowing them to expand into unrelated fields. While this is not in the minutes, because the general manager of the bank did not make any verbal commitment, I remember that he smiled and nodded his head in an affirmative way, indicating that he understood the question and was sympathetic to it. Perhaps he will introduce such a directive. Even if he does, it means that the bank is making law by directive rather than this House making it the law of the land.

When this matter was referred to in the committee, the minister said that such provision would be restrictive and would perhaps hurt some small or depressed areas where a foreign enterprise might like to establish with the assistance of an IDB loan or an FBDB loan. I suggest that we are being restrictive if we go along with the general manager and his directive, at least to the extent of 1 per cent or 2 per cent. The chances are, with business being as flexible as it is, these enterprises could borrow money through DREE, PAIT or GAAP, or perhaps the Ontario Development Corporation, the British Columbia Development Corporation or even through some other mechanism. If the enterprise was a good one, I am sure it could find Canadian entrepreneurs who would be willing to participate in a joint venture in order to meet the 51 per cent ownership requirement of this amendment. It is restrictive, but I do not think it will lessen Canadian development in any meaningful way.

The minister said that for a number of technical reasons he thought the amendment was not good. I asked him to tell us what the technical reasons were and the only one he gave was that he thought the amendment would not include co-operatives. To overcome that objection I redrafted the amendment to include co-operatives. I appreciate the fact that the minister pointed out that objection, but if he had more he should have indicated them to the committee at the time we were examining the question. If he was not frank and open at that time, I suggest it is a little late to come up with more objections now. I tried to draft the amendment to incorporate his view. The minister indicated that the Foreign Investment Review Act would really do the same thing as this amendment. He said that act was now the law of the land and provided an adequate mechanism.

I am thankful it is the law of the land, but it represents a very small step in the direction of Canadian economic