

Investment Canada Act

● (1150)

I would like to deal in part with the major principles of this legislation. First, the Minister decides to change the name. To quote Shakespeare, "What's in a name?" The Minister has told us there has been a perception abroad that the very name "FIRA" has struck fear and loathing in the minds of foreign investors and that somehow there is an atmosphere of anxiety and apprehension over the very name "FIRA". I believe it would be of some interest to its officials to know that they have had this incredible amount of power over foreign investors, who are usually much more hard-nosed and calculating than that.

However, if we accept the statement made by the Minister just 20 or 30 minutes ago that there is this incredible sense of fear and loathing, how does he explain the statement by the United States ambassador, Mr. Robinson, who has never been known as a man who limits his statements? He has always been more than forthright and honest in his comments about Canadian programs and policies. I quote from the Conference Board of Canada, not what you would call a Liberal think-tank, by any means. On page 9 Mr. Robinson said: "Canada remains a very good country for people to invest their money". It seems to me that the U.S. ambassador is not subject to the same fear and loathing which the Minister of Regional Industrial Expansion (Mr. Stevens) believes.

Mr. Stevens: He did not say "non-Canadians".

Mr. Axworthy: Mr. Robinson said in fact that we had made changes and things were now improving.

Mr. Stevens: Read page 58.

Mr. Axworthy: Let me continue, Mr. Speaker, and ask about that big foreign investment community out there. A questionnaire was sent out and one of the questions was: "What is it that affects your decision to invest or not to invest in Canada?" Out of 333 companies, 6.6 per cent named some facet of government regulation; only 6.6 per cent, Mr. Speaker. That is the "atmosphere of fear and loathing" about which the Minister talks.

When asked what makes these investors invest, a much higher percentage of companies said it is the whole question of market opportunities, competitiveness and profitability, the normal criteria by which business people make decisions. This Government has gone to this enormous time, effort and expense to tell us we have to change the perception when in fact the perception is generally positive.

Mr. Stevens: Read page 58.

Mr. Axworthy: We have gone through the studies. We have received statements from the U.S. ambassador and, in fact, we could quote, if the Minister likes, a number of other similar statements. It is far more a problem, Mr. Speaker, in the minds—and I use that term loosely—of the Conservatives because it has been part of their theology. They have gone around the country year after year preaching hate against

FIRA. They have tried to whip up a storm of resentment. Where the problem has been is when Conservative spokesmen have appeared before American, German or French audiences and told them that FIRA is a terrible thing. That has been the problem, Mr. Speaker.

Let us look at the facts, Mr. Speaker, never mind the perception. Let us look at the reality. If there was such an incredible amount of anxiety out there, how does the Minister explain that last year over \$4.1 billion of foreign capital was invested in this country?

Mr. Stevens: That did not regain what we lost in 1981 and 1982. What about the money that left?

Mr. Axworthy: The fact is, Mr. Speaker, that 1,000 foreign investors made applications and 97 per cent of those applications were approved. The Minister has tried to make out that FIRA was acting as some kind of a tight screen through which only the odd little person was able to sneak through, but 97 per cent of the applications last year were approved.

Mr. Stevens: One hundred and sixty you did not even decide.

Mr. Axworthy: Why does the Minister argue when somehow those who wanted to invest in Canada were, by and large, given the right to invest after they had properly gone through and been judged in relation to significant benefit to Canada? That is the key question. It is not the flow of capital which is the issue. It is what happens to the capital when it arrives. It is the impact of that capital and what it does in terms of creating jobs, research and development and world product mandates, which is the real issue.

It is the ultimate capitulation and surrender by this Government that it is totally eviscerating the opportunity of Canada to determine whether foreign capital will be used in a positive, constructive way, in order to ensure that the businesses which were acquired or started in this country would in fact be used to create jobs. By eliminating those requirements, by having no screening whatsoever for new business, by taking indirect acquisitions up to \$50 million, and by raising the threshold for direct acquisitions, it is eliminating—as the Minister himself said—90 per cent of those applications, which means that investors can come into this country, buy a Canadian company, strip its technology, take it back to St. Louis, leaving nothing but the hulk; and the Minister says that is going to create jobs. That is the problem, Mr. Speaker, which this Minister does not understand.

FIRA was not used to keep capital out. It was used as a bargaining, leverage agency in order to make sure that we received proper benefits for this country.

Mr. Mazankowski: You have to be kidding!

Mr. Stevens: Most of them didn't even come to bargain.

Mr. Axworthy: That was the reason for FIRA and those people opposite did not understand its performance. That is the blindness. That is the theology. That is the problem. Hon.