

*Investment Canada Act*

would invite him to read the works of the Right Hon. John George Diefenbaker. I think he was a Conservative and he used to speak about the values of being a Canadian, how proud he was to be a Canadian and how hard we had to fight to keep an independent Canada. I hope he would not call that being shrill. He was a Progressive Conservative of the old school of which we would like to see more in this new group of Conservatives who have become virtually Mr. Reagan's poodle. He takes them out for a walk occasionally when the Prime Minister (Mr. Mulroney) meets him in Washington or speaks in New York.

The fact is, Mr. Speaker, I think the Hon. Member misunderstands what FIRA was trying to do. We do not want to reduce the lifestyles of Canadians, not like the conservative Social Credit Government of British Columbia. That is reducing the lifestyles of Canadians. Poverty goes up and you get 15 per cent unemployment. We had that kind of radical restraint, that kind of policy which would open up to foreign investment, except that foreign investment did not arrive. Well, that is not the kind of policy we want to see.

Let me put to you the Conservative position as I understand it. It is that Canada needs foreign investment, but that FIRA is a hostile symbol to that investment. Because of that we are not getting our proper share of foreign investment, therefore we are not getting enough jobs. That, it seems to me, is what the argument is. I think that is superficially seductive in the sense that you want to say, yes, we want the jobs so let us open up to foreign investment. But we have to remember that we are a small country next door to a huge neighbour, but a neighbour we like very much, let us make no mistake about that. They are our allies and friends. The fact is, however, as Tommy Douglas used to say, that the elephant dances among the chickens and says: All right, boys, it is everyone for himself. There is a huge country there and we are much smaller and we have to consider that. There are costs as well as benefits to foreign investment. We would be stupid if we did not face that fact.

The reality, Mr. Speaker, is that FIRA asks a number of questions regarding foreign investment or takeovers. It says that the company coming into Canada has to show significant benefits to Canada. It sets out 10 tests. Will it provide jobs for Canadians? Will it improve Canada's export performance? Will it contribute to having more of Canada's raw materials processed within our own borders? Will the application provide new investment within Canada? Will the applicant buy supplies in Canada, provided they are competitively priced? Will there be new opportunities for Canadians to become shareholders, directors and managers of that enterprise? Will it improve Canada's access to new products and processes? Will it improve Canada's industrial productivity? Will it increase the level of competition? And is it compatible with the Government's industrial and economic policies?

● (1540)

Surely Conservative Members, and especially the Member who last spoke, cannot object to those kinds of tests. Surely

those are reasonable tests to protect Canadians against some of the problems and costs of foreign investment. There have been lots of studies done on this. We know that American branch plant companies tend to go home to buy their materials from their parent plant. They buy a lot more of their raw materials from the home company abroad instead of buying them in Canada.

There have been studies done by the Conservative Party's own task force on technological change which show that foreign companies tend to have their research and development done abroad. We know that is a problem. I think all rational Members, which almost all of the Members in the House are, can agree that that is a problem. We know that they tend to repatriate profits more than Canadian companies do. I am the energy critic for my Party and I have found that Canadian industry in the energy area will invest more in Canada than do the foreign multinationals. I invite you to ask Bob Blair of Nova Corporation, a Canadian businessman, who will tell you the same thing.

In other countries investment is screened. Do you know what they call FIRA in the United States? They have an agency which they call the American Congress. At this moment while we are debating, an American congressional committee is holding hearings on the objections from some American politicians and businesses to the fact that Canada has too great a share in the gas industry. We have a 6 per cent share of the gas industry in the United States. They have this continuing FIRA. Other countries have the same thing. We are not a country that is out of step because of our having an organization to consider or screen foreign investment.

The Hon. Member gave an example of a car wash in Windsor with a \$4,000 investment which Cabinet has to consider. That is terrible. Let's get rid of it. Let us reform FIRA, but let us not throw it out. Let us not go further by letting the Minister of Regional Industrial Expansion (Mr. Stevens) have the final say in certain applications. I think that would be a mistake. It seems to me that the worst of all possible worlds this country could have is what the Conservative Party may be aiming for, that is, free trade with a branch plant economy. That is the absolute worst because in the long run that will mean a decline in jobs and in the economy of Canada.

We could end up with an economy with an even higher degree of foreign ownership than at present and a diminished capacity to export and innovate and, hence, to make our own way in an increasingly competitive world. Therefore, in the long run, passing this legislation and getting rid of FIRA rather than reforming it could result in fewer rather than more jobs for Canadians.

An editorial in the *Toronto Star* dated December 9, 1984 reads as follows:

The agency's greatest role, indeed, has not been in screening out foreign investment, but in acting as a bargaining lever to persuade would-be investors to sweeten the pot in terms of providing more jobs and benefits for Canadians.

It is the Conservatives who are being ideological here. They are living in a world that is not real. They are being shrill and