

Investment Canada Act

Well, Mr. Speaker, those are the questions I have in mind, and I hope they will be answered before the conclusion of this debate.

[English]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it gives me pleasure to take part in this debate which is about some of the most important aspects of the Canadian economy. This is a debate about jobs, expansion, our own self-image as a nation, our self-image as Canadian investors and, ultimately, our confidence.

We think that the Government is making a grave error in terms of creating jobs in this country. It is making an error in terms of attempting to expand Canadian business and it is making an error which will result in less rather than more confidence in the Canadian business sector.

We are debating 10 amendments, all of which propose to correct the errors contained within the Bill before us. These motions were moved in an attempt to improve Canadian ownership of Canadian industry so that Canadian jobs and technology will be expanded and given a future.

In the course of my remarks, I would like to deal with three or four points and then deal with the actual amendments that are before us today. First, I would like to point out why it is that we need national legislation to Canadianize Canadian industry and what are the advantages to legislation that will encourage Canadian investment in Canada. I would like to spend a few moments pointing out a few areas in which I think FIRA did succeed in doing its job of increasing Canadian ownership and expanding Canadian economic activity. Last, I have an example or two to give the House showing what happens when we do not have legislation which gives a slight preference to Canadian investment over foreign investment.

It is interesting to go through the record that was produced during the course of the hearings on this Bill. Sometimes this kind of record gets ignored. A second-reading debate deals with the principle of a Bill, and the Government takes its stand at that time. Then the matter ostensibly goes to committee so Members may hear what Canadians have to say about a particular Bill. In this case, Canadians had quite a bit to say about this Bill, and not very much of it was good. What they said seems to have been thoroughly ignored and the Government is continuing with the almost pigheaded approach it showed at second-reading stage. The Government is going ahead with the Bill in spite of what witnesses said in committee and in spite of the consultations that were held.

One of the most succinct reasons for legislation like the Foreign Investment Review Agency that will now be put out of business was presented by Bob Blair, a fairly well-known Canadian businessman and President of NOVA Corporation. He said that we need such investment legislation for Canadians because:

—surely part of this story is that every national government takes steps to look after its own domestic companies, under some chosen circumstances, to ensure that business is played fairly and that proper industrial benefits do indeed occur or are retained—led in this respect, if you like, by the Congress of the United States of America and the Government of Japan respectively.

As a businessman and an objective analyst, it is quite clear to Mr. Blair that the reason Canada needed FIRA-type legislation that made certain our investments and investors were given some priority is simply that other countries are doing it to the extent that Canadian investors have a very poor chance of investing in those two countries he listed. As an example, the Americans have the Jones Act which provides that any goods moved from one port to another within the United States must occur in U.S. bottoms. We do not have any laws that restrictive in Canada but such laws do exist in the United States. A Canadian ship could not find a job moving goods from one U.S. port to another.

The Japanese as well are very selective and careful about what investments they will allow into their country, and indeed they are even careful about what goods and services from outside may enter that country. Those are examples of two very successful countries that have quite restrictive legislation regarding foreign investment, legislation which is much more restrictive than were our feeble efforts under the old Foreign Investment Review Agency.

When pressed, Mr. Blair, the President of NOVA Corporation, went on to explain some of the advantages to Canada from Canadianization. The following is part of what he had to say in committee:

For all of their often fine endeavour to be good corporate citizens in Canada, the foreign-controlled companies, first of all, do have other influences on them; they have political influences, legal influences, attitude influences that originate somewhere else. These influences dictate how they behave everywhere, including how they shall behave in Canada. That naturally has to diminish, to some degree, their ability to respond fully and completely to Canadian influences.

● (1230)

He went on to say:

—Canadian-owned firms had done more to see the business they could afford was developed with Canadian engineering firms, professional firms, small business, Canadian suppliers of goods and services, Canadian employment, than the non-Canadian owned firms. I think this is exactly what a reasonable man would expect.

The witnesses who appeared before the committee pointed out quite clearly that there are definite advantages to the Canadian economy when Canadians invest in Canada. However, the testimonies of those witnesses seem to have been totally ignored by the Government. There has been no attempt to make amendments which would take into account the testimonies of the witnesses who appeared before the committee. The amendments which we have moved attempt to correct and improve the proposed legislation in accordance with those testimonies.

There is no point in having witnesses appear before a committee and in having consultation if no attention will be paid to them. In his testimony, when asked about some of the successes of the Foreign Investment Review Agency for Canadian business, Mr. Blair cited, as one example, his company's acquisition of Husky Oil. He said:

There was a moment a few years ago where in NOVA we obtained ourselves the ownership of an oil company in Canada called Husky, which we subsequently made into one of the most active oil companies in Canada, one of the most active in the frontiers in heavy oil and in other places, and which has been one of