

*Investment Canada Act*

the requests for investment were passed without question. Despite FIRA approval being required, over the past two years between 95 per cent and 98 per cent of all requests for foreign take-overs were approved.

In the last year, I assume that approximately 100 per cent of requests were approved and only very few constrictions were put upon those companies when they entered Canada. Most did not require any promise of jobs or new investment. Many of the approvals were of take-overs only and had no real impact upon the number of jobs available or any impact on the growth of industry in Canada. That was under the old FIRA Bill. The situation has changed very little in the last few years. This Bill does not require any assurance that there will be new investment and new jobs created.

Compared to the rest of the world, we have a very high percentage of foreign ownership, ranging as high as the eighties and nineties in the chemical and petroleum industries and around 30 to 50 in the manufacturing industry, depending on how you designate the categories. Foreign ownership in one of the more highly industrialized countries of the world, namely Sweden, went up from just over 7 per cent to almost 7.5 per cent. That increase from just over 7 per cent to a little more than 7.5 per cent was of such great concern in Sweden that the Swedish House considered, discussed and debated the possibility of putting restrictions on foreign investment in Sweden. That was because the foreign ownership in Sweden was getting to be so high, over 7.5 per cent. Compare that with the average amount of foreign investment in Canada, which is probably near 50 per cent. We in Canada recognize that foreign ownership is not good for the country. Therefore, we should be taking some action and we should not be asking for further foreign investment in and control over our economy and our resources.

● (1115)

Many of the countries of the world have spent a great deal of time moving away from what we considered to be political colonialism or control of one country by a foreign country on a political level. It has been a major concern of many of the world's countries, not only Third World countries but countries like ours, to establish ourselves as politically separate from other countries. We have rid ourselves of political colonialism but we have established a new kind of colonialism, which is possibly more devastating than political colonialism. I am speaking of economic colonialism.

If a country gets to the point, as we have in Canada, at which a major portion of the economy is controlled by offshore organizations, then that country must be concerned about becoming colonized to an unacceptable extent. Therefore, I think it is very important that one of the amendments that should be accepted by Parliament is a change in the definition of the purpose of the Bill.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I note that Clause 2 on page 1 of Bill C-15 provides for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth

and employment opportunities, and it encourages beneficial investment in Canada by Canadians. The concern of our Party is that the investment which comes to Canada from offshore or from the United States will be beneficial to our country, whether it is investment in the high-technology sectors or other sectors of our economy.

We all know of investment that has come to our country from the United States, and I do not think that this investment has been inhibited in any way during the last three or four years by the fact that there has been a review process. For example, in the pulp and paper industry in northern Ontario, we have been able to encourage foreign companies to come to Canada to adopt new product lines which have benefited our communities. In Sault Ste. Marie, the St. Mary's Paper Company took over from Abitibi a little over a year ago. That company has made a very substantial investment in Canada and has adopted new product lines. This has been very beneficial to the 400 or 500 employees of the plant as well as to those who work in its bush operations.

Certainly the least of the problems associated with that takeover was the review by the Foreign Investment Review Agency. The main problem was getting financial assistance from the two senior levels of Government, and in the end assistance was provided in order to see that the plant was modernized, upgraded and overhauled. I do not know what the value is of removing that screening. Although it does not inhibit companies from investing in Canada, certainly we all know of large U.S. companies which have taken over our manufacturing facilities, operated them for a period of six months or a year and then suddenly shut them down. The sales workforce is kept, but the manufacturing is done in the United States. In order to protect Canada, we must maintain a screening mechanism. This Bill does not provide a great incentive for Canadians to invest in their own country. We believe that there should be a provision in the general outline of the benefits and the direction of the Bill to encourage beneficial investment in Canada by Canadians.

● (1120)

The Prime Minister (Mr. Mulroney) does a great job when it comes to public relations and talks glowingly about our relationship with the United States. Only a few weeks ago we saw the song and dance routine which was carried out in Quebec City. As that time the Prime Minister and President Reagan met to talk about relations between Canada and the United States. I am sure that all Canadians want to have a very helpful, constructive and positive relationship with the United States. However, immediately after that conference, the President returned to the United States and imposed a countervailing duty of 5.3 cents a pound on Canadian pork, pork products and hogs going into the United States. That immediately reduced the price of hogs going into the United States by about \$12. That is having a devastating impact on that sector of the agricultural industry.

No sector has suffered more than the red meat industry, both in beef and pork. The Prime Minister gives us great