

Investment Canada Act

Our mandate is to integrate Canadians and non-Canadians in developing an economy that looks forward rather than back to the 1950s or 1960s when the reaction was toward excessive government regulations.

I believe Bill C-15 is a fair and equitable proposal. Therefore, the two amendments that would result in Investment Canada being very much regulated by Government are amendments that I as a Member of Parliament cannot accept. I would ask that other Members do likewise.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I rise to support the amendment proposed by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). It would have the effect of requiring that proposed investments in Canada be reviewed to ensure that they contribute to economic growth and employment opportunities. Without that amendment, this Bill will allow, without review, takeovers and very extensive involvement in the Canadian economy.

The Government seems to be proceeding on the assumption that all investments by foreigners will be good for Canada. While we are prepared to agree that most foreign investment can be expected to be beneficial, it simply does not seem prudent to throw the doors open as wide as the Government is proposing.

There is no question that the foreign Investment Review Act, which was in place since 1970, was due for updating. The Canadian economy and the world economy had changed since 1974. However, the Government has gone much further than is sensible or prudent with the introduction of this Bill.

Every industrial country in the world has some limits and controls on foreign investment. I have before me a list of 21 laws in the United States, which I do not claim to be exhaustive, which have the effect of either prohibiting or limiting non-American investment in the United States.

If one looks at the areas involved in the United States, there are limits on foreign investment in coastal and freshwater fishing, aviation, nuclear and hydro generating, communications, financial industries, real estate, fishing, some mineral leases, dredging and salvaging operations and defence industries. We are all aware of the width of the umbrella of defence industries. Those involve 21 pieces of legislation that either limit or prohibit investment in all those areas of the U.S. economy.

One can add to that the use of securities and anti-trust laws and the operations of congressional committees and monitoring by Government to see that it is a rather tightly controlled situation. Moreover, while this is taking place in what is basically a very open economy, it is an economy where the legislators have deemed it prudent to protect their own national interests.

Let us consider Australia, which is a Commonwealth country like Canada. It states officially that it welcomes foreign investment. That country also has a foreign investment review board. It sets limits on the acquisition of an Australian business by the purchase of assets. It specifies particular areas of the economy where all new business must be reviewed if it is

financed from outside the country. Those areas include finance, insurance, media, civil aviation, uranium, direct investment by foreign Governments or their agencies, real estate valued at \$350,000 or more, and so on.

Mexico is a country which has great need for capital investment but which also has very considerable restrictions. Therefore, one must ask why the federal Government is prepared to throw out review or examination to the extent that it has. The assumption seems to be that all investment will be beneficial. This has been the tone of the speeches by government Members who have taken part in this debate.

Is it correct to make that assumption? When I spoke on this Bill earlier, I mentioned a situation that I encountered in my home riding. A man had worked for 30 years with a firm that was established in Canada by an American parent company. It was established before the Foreign Investment Review Agency. That firm did some very simple assembly work and when it decided that its interests would be better served by moving to one of the states which had non-unionized labour and below minimum wages, it simply moved out lock, stock and barrel, on the weekend. This man and several other employees found that everything was gone on Monday morning. They received no severance pay and they had no particular skills that were marketable. A similar situation arose in Ontario, and that was one reason why the Foreign Investment Review Agency was established. I do not see anything in the new Bill that would prevent that kind of situation from arising again.

● (1550)

Let us look at some possibilities of what might happen when you have no review. In the case of takeovers, for example, does a takeover usually create new jobs? Not necessarily. What if following a takeover the new facility employs fewer Canadians because it is no longer manufacturing in Canada but merely assembling or warehousing in Canada? To take perhaps a more extreme example, what if a takeover occurs by a foreign company of a Canadian company which has had some innovative technology, a Canadian company that has been marketing overseas? What if the reason for the takeover is that a foreign investor simply wanted to suppress the Canadian technology so as to reduce competition in overseas markets?

I see nothing in the Bill to protect against this kind of situation. Granted, most investment can be accepted as being productive and useful, but surely it is not prudent to have a Bill as totally open as this one, a Bill that is without the basic safeguards that exist in countries such as the United States and Australia, not to mention the European countries that have many more safeguards.

I really hope the Government will take another look instead of telling us, as the previous speaker did, that we are fear-mongers because we raise these situations that we have seen. If the Government is not prepared to accept the amendments put forward by opposition Members, then I hope the Government will bring in some of its own that would give the Minister, or preferably Cabinet—because I am not sure that this kind of