

the development of all of Canada. One of the major players in the important high-tech industry of the future is now to be alienated to foreign control.

I find it ironic as well that this motion was put forward by the Liberal Party. I find that ironic because the Liberal Party was forced to introduce the Foreign Investment Review Agency during the minority Government from 1972 to 1974. Pressure by my former Leader, David Lewis, and the New Democrats in Parliament at that time led the Government of the day to introduce a review process for foreign investment to give Canadian investment a certain amount of protection for the first time. The Liberal Party talks in pious terms about maintaining Canadian ownership. However, it should be acknowledged that for most of the past half a century during which the Liberals were in power their policy was to encourage foreign investment. During most of that time they presided over a tremendous sell-off of Canadian industries, particularly to the United States. C.D. Howe was one of the architects of that particular policy. The Liberals were forced into changing their views because they feared losing office after 1972, not because they had a fundamental change of heart.

I remind the House that during the recent election campaign the policies enunciated by the Progressive Conservatives with respect to the termination of FIRA and its powers were almost identical to the policies advanced by the present Leader of the Official Opposition (Mr. Turner) in his proposals with regard to weakening or eliminating FIRA. The Liberals have now had a change of heart. The Leader of the Official Opposition no longer rules the roost in his Party. The Rat Pack is now dictating policy for the Liberal Party of Canada. The Liberals have suddenly discovered that foreign investment is a problem in the country.

Foreign investment is a serious problem in the country. In all the time during which they were in office the Liberals did not lift a finger to ensure any review to guarantee that Canadians would benefit from foreign investment when it took the form of expansion or acquisition by foreign companies already resident in Canada. Expansion or new investment by General Motors or any number of other large Canadian corporations and manufacturing industries was totally immune from review. FIRA only got to a minor portion of the problem, which was that foreign investment had gained control of more than half of the manufacturing industry in the country. Foreign investment was running Canada as though it were the fifty-first State. Many companies in the country were denied access to the American market. They were not given the products, allowed to do research, or given the freedom to export into the United States. They did not have any strategic freedom to search for natural markets which might occur down there. As well, in many cases they were not free to export into the United Kingdom, the Common Market, or the Far East. Foreign-controlled companies in Canada which were given any freedom to export were given markets in countries such as Latin America, South Africa and Australia, markets which were too small and unimportant for American parent

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companies to bother to manage from their head offices in the United States.

Recent figures from StatsCan show us the picture. Fifty-one per cent of our manufacturing industry is still foreign-controlled. Ninety-eight per cent of our rubber industry, 51 per cent of our agricultural machinery industry, and 92 per cent of the transportation equipment industry is foreign-controlled. Seventy per cent of electrical apparatus is produced by companies which are foreign-owned or foreign-controlled. Seventy-one per cent of the chemical industry and 52 per cent of miscellaneous manufacturing is foreign-controlled. My figures do not extend to petroleum, but the vast bulk of that industry is also foreign-controlled.

The Progressive Conservative Government is arguing that foreign investment stimulates jobs. Mr. McMurtry, the High Commissioner for Canada in Great Britain, made a speech the other day. Essentially, he said that Canada is open for business, that it is not the same as when the Liberals were in power. He said there will be no carping when foreign investors want to go in. Sure enough, as soon as Mr. McMurtry's words had been reported in the *Time* and *The Guardian*, British Telecom was on the doorstep.

One must ask whether the record supports the case that unlimited access to foreign investment, with no conditions at all, will in fact create jobs in the country, or whether there is not a serious risk that it will turn Canada into a warehouse for products made in Japan, the United Kingdom, Europe, or the United States. We have called the Investment Canada Bill the "Warehouse Canada Bill" because that is what it is in danger of making the country. I grant that the lowering of tariffs and the gradual movement toward free trade with the United States have benefited some Canadian companies. However, in large measure, they are removing the impetus which led to the creation of many companies in the country. That allows Americans and other foreign investors to take jobs away from Canada and into other parts of the world. It is liable to continue if we have no control to ensure significant benefits for Canadians from foreign investment or from the expansion of foreign companies already here.

It is well known that foreign investors have great leeway in avoiding Canadian tax through buying and selling practices which shift their tax obligations to areas where the tax burdens are lesser. That sometimes means moving to Bermuda or to the Caribbean rather than to another industrial country. It is noticeable that the large foreign-controlled companies in the country spent only 2 per cent of their sales on research and development over the past few years, while larger Canadian companies with 500 employees or more spent 10 per cent of their sales in research and development. That suggests that rather than getting a dynamic, progressive, and advanced industrial sector through opening the door to foreign investment, we are likely to perpetuate the situation of Canada having a second class industry and being left with the crumbs off the tables of other countries.

I cite the case of General Motors. That was once a Canadian company set up by Sam McLaughlin in Oshawa in the