

of the foreign domination and ownership of resources in this country.

If we were looking for an indication that the Minister of State for International Trade appreciates the threat that patterns of investment which have been established and have existed for many years pose to our economic sovereignty, we got absolutely none. The only thing he indicated was that because of the new energy resources that are going to be exploited in the future to advance self-sufficiency, it is going to be even more necessary to rely more heavily than we have up to now on multinational companies and foreign investment of all kinds.

This is a remarkable performance by this government. It is clear that they are setting up a committee because they do not know what they are doing. Things might be different if there was an indication of policy, an indication of concern, if there was a traditional feeling about economic sovereignty or a strategy for self-sufficiency, not just in the field of energy but industrial self-sufficiency as well. Instead, the government approach is to refer a problem about which they apparently have no point of view to a parliamentary committee. If they do have a point of view, it is self-evidently the wrong one.

I should like to turn now to the Liberal party, Mr. Speaker. The performance of the hon. member for Ottawa Centre was quite remarkable. Suddenly the Liberal party has discovered, or rediscovered, or re-rediscovered or discovered for the fourth time, that the Canadian people are concerned about the economic future of their country and its domination by foreign interests. It is amazing how the Liberal party at moments of convenience, and when they are looking for a policy and looking for a leader, suddenly latch on to an issue about which they have no coherent point of view at all.

I should like to put some facts on the record. In 1973 when the Foreign Investment Review Agency was established our deficit on the services account, which is dividends and interest payments leaving the country as a result of both direct investment and portfolio investment, was \$3 billion; in 1974 it was \$3.74 billion; in 1975, it was \$4.7 billion; in 1976, it was \$5.8 billion; in 1977, it was \$7.4 billion; last year it was \$8.7 billion; this year, it is more than \$10 billion. That was a time when we were under the Liberal government. Where were the voices of dissent in that party? Where was the hon. member for Windsor West (Mr. Gray) when that was going on? He was in the government, then out of the government. I think the Canadian people are entitled to know which party was in power during the century, and certainly during the last ten years, when foreign investments reached the point of practically no return.

It is an amazing thing for the hon. member for Ottawa Centre to pretend that history started on May 22 with his election to the House of Commons and that the Liberal party rediscovered this. Remember that they discovered in 1957 Mr. Gordon's report on Canada's economic prospects. They rediscovered it in 1967 when Professor Watkins presented his report on foreign ownership; in 1970 they rediscovered it with Mr. Wahn who was then the member for St. Paul's, and in 1971 with the report known as the Gray report.

Foreign Investment Review Act

It is important to remember the harsh fact that the final version of the Foreign Investment Review Act had a fatal flaw—the fact that it relied on the word from the Gray report. The litmus test for the Foreign Investment Review Agency and the litmus test for the Foreign Investment Review Act was a very simple one—that any investment requires “significant benefit to Canada”. Those are the words, Mr. Speaker—“significant benefit to Canada”. It has been said before, Mr. Speaker—I have not coined the phrase—that the only industry which would not give significant benefit to Canada would be “Murder Incorporated.” There is not one investment that could not be deemed to give some kind of significant benefit to Canada in terms of jobs or some short-term employment benefits.

That is not the issue, however. If the test is as woolly, as broad, as confused, as that test of “significant benefit to Canada”, it is little wonder that foreign investment increased by \$5.5 billion last year alone, more than double the previous year's increase of \$2.1 billion. In British Columbia alone, FIRA approved nine foreign takeovers in 1976, 26 in 1977, and 39 in 1978. That is a 433 per cent increase in two years. That is the kind of sell-out of our resources, our jobs and our industries that has taken place under the Liberal party and the Liberal government of Canada.

We have some very real concerns about this motion, Mr. Speaker. The wording of the motion is so confined and restricted that we have reason to wonder just what the committee will accomplish. The committee is not inquiring into foreign investment. We have had those committees before. Since 1957 we have had enough studies to know exactly that 50 per cent of our trade with the United States takes place between parent companies and subsidiaries and that there are dozens of firms in Canada that are not allowed to compete with their parents for the export market. These facts have been documented; we do not need another study.

The approach taken by the government is very confining. The motion asks that the committee be appointed to:

—inquire into and report upon the extent to which the Foreign Investment Review Act has achieved and is achieving its purpose as described by Parliament in section 2 of the act—

I suggest that the purposes as described in section 2 of the act are inadequate. If it is confined to what in 1973 was already a very, very limited purpose, then the whole point of this review is restricted and confined.

● (1450)

I am sorry there is no minister in the House now who is in a position to answer these questions. I am sorry the minister of state could not stay to listen to my remarks or to the remarks of the hon. member for Ottawa Centre, because I have specific questions on the motion. I would like some member of the government to answer these questions.

First, is the committee going to be free to deal not simply with the purposes of the act as set out in section 2, but be free to look at foreign investment and to see whether the purposes that are set out in section 2 should not be broadened and made