

that kind of Conservative representation by which, for better or for worse, we will be governed for the next four years at minimum.

I think this is an important debate. I hope all Members of the House will take full advantage of it, listen to it carefully and respond to the arguments that are made. I would hope that the Hon. Minister and his colleagues both in Cabinet and in the Conservative caucus, rather than simply responding in some Pavlovian fashion to the call to arms and to the rhetorical flourishes, will listen carefully to what those opponents and critics of their positions have to say.

I believe that we come here sharing the same objective. We share an interest in creating work in the country. We have the shared goals of generating growth, encouraging investment and of having Canadian industry become a major participant in a new kind of world economy. When it comes down to our basic goals, I think we can say honestly that we on both sides of the House start from the same premise. Where we disagree fundamentally is in the methodology.

It is not as if one side or the other is for or against the creation of jobs. However, our primary concern with this legislation is that it is a faulty mechanism. It is one that is based upon seriously false premises. The end result of the enactment of this legislation will not be the creation of more jobs in Canada but will be the loss of jobs and economic opportunity. It will not provide an incentive for more Canadian investment but in fact will provide a deterrent to the establishment of an effective, modern, competitive, industrialized economy in Canada.

When living in an environment in which there is a requirement for individual countries to compete through high value-added products, manufacturing and high-technology industries, the end result of the Hon. Minister's legislation will be to provide a major deterrent and handicap to growth and development. Therefore, we have a very deep and abiding concern with this legislation.

We believe that if anyone has been caught up in ideology or theology, it is the high priest of the Ministry of Regional Industrial Expansion who has preached an evangelical sermon for years and has now found a new pulpit but in fact will not provide redemption for Canadians as a result. We will in fact find that the opposite will take place. That is why we hope that this debate will be listened to. We hope that we will be able to persuade, through argument at second reading and during committee stage, that there should be changes to this legislation in order not to damage Canadian business and in order to provide better incentives for Canadians to invest in their own economic system.

The real question is what is to be the proper direction and thrust of government policy in order to provide for the development of proper investment and effective job creation. I should say, by the way, that the two are not necessarily synonymous. The one thing we have certainly learned as we have moved into an age of knowledge-intensive industries is that new capital investment does not necessarily lead immediately to job creation unless the benefits of that capital investment and the

profit from the wealth it creates is distributed in a way that will create jobs.

Someone could invest x amount of dollars in new machinery to gain productivity, but the end result, at least in that plant or location, would be the elimination of jobs. Therefore, to come at it from a simplistic point of view and simply say capital investment *per se* is sufficient does not take into account the realities of our present-day economy in which there can be a high level of job elimination or subtraction. What one must do is make sure that the capital investment is allocated and distributed, both on a regional and sector-by-sector basis, to ensure that there is a net gain in job creation for Canadians.

Another reason we have very serious concerns about what the Minister is trying to do is that, first, the so-called Investment Canada legislation is being brought forward in advance of the major economic Budget that the Minister of Finance (Mr. Wilson) has promised for next spring. It is not part of an integral, comprehensive plan. It is being rushed forward without giving Canadians an opportunity to see what the other parts of the formula will be. We are being given a one-shot unilateral approach by this Minister without having it put in the context of an economic policy.

What we have been promised by the Minister of Finance is consultation and discussion after which we will see the final results some time next spring. However, this Minister, for reasons known only to him or to his colleagues, has taken two initiatives which are quite outside the thrust of the approach of the Minister of Finance. Both his selling off the Crown corporations, thereby affecting in a very dramatic way development in the aerospace sector and the—

Mr. Stevens: Positively.

Mr. Axworthy: Negatively, because we do not know what the results will be. The Minister will not tell us. He will not tell us what the impact will be of selling to foreign buyers Canadair or de Havilland. We have the potential of another Avro Arrow on our hands. The Minister has not issued any guidelines, rules or conditions for that sale. This means that a foreign buyer can buy Canadair or de Havilland, strip its new technology and take it south, north, east or west and leave us with a hulk. The aerospace industry would then be abandoned. We have no idea what the framework of the sale will be because the Minister, when questioned before the committee, refused to say.

We are faced with a Minister who is not only working outside of the framework laid down by the Minister of Finance, but is initiating actions which have the serious potential of damaging major industrial sectors of the country. I suggest that the same fallacy is being perpetrated through this legislation. By not being able to judge its impact with relation to the other initiatives by the Government—which we will have to wait another six or seven months to see—we are being asked to buy a pig in a poke, one which carries with it some very serious potential problems for Canadian investors and Canadian business.