

pointed out a number of concerns in that regard. I would like to place on the record one of them, as expressed by the hon. member for Waterloo, which is recorded on page 7481 of *Hansard* of April 14, 1969. The hon. member stated:

I very much fear that what we are seeing here is an attempt to enter into the 20th century scramble for investment, just as the nations in the 19th century scrambled for colonies, and it seems to me that Canada is now joining the new investment imperialism.

Later on the hon. member for Waterloo also stated:

Canadians do not wish to be imperialists. We do not want to join in the scramble for financial colonies. We do not need them. We have no interest in playing that kind of role in international affairs.

It seems to me that those remarks should be kept in mind as we deal with the amendments to the act which are now before us. I suggest that, first of all, we can question the morality of such action and such an approach in our international relationships, and second, from a different plane but a practical one nevertheless, I think we can question whether Canada in fact can compete in this league if it is given the opportunity to do so.

I think a second area of concern is to ask what benefits accrue to Canada by taking such action, that is, encouraging private foreign investment in other countries and, in fact, helping to underwrite any risks that are involved. Possibly there may be short term benefits, but I think they are by no means certain in many cases. From a longer term point of view, I think it can be said quite safely that often there are no net long term benefits when the total picture is examined. Just to give one example, there have been recent indications of resentment toward Canada in some Caribbean countries as a result of private foreign investment by Canadians in some of those areas. I think we have very important concerns about foreign investment as such which need to be kept before us. We are in a difficult position in our own country in respect of the extent that our resources and industries have been alienated from Canadian control. Now, we are promoting Canadian action of the same nature, only on a reverse basis. In fact, we are trying to get the same gains by shipping some of our private capital to foreign countries and thus achieving a similar effect on those countries as some foreign investment programs have had on Canada.

This is a debatable point, but if it is so then I would think there is all the more reasons for concern about such a program. It seems to me to be folly to encourage the export of Canadian capital and Canadian savings, while at the same time continuing to allow the import of large amounts of capital into this country which of course has some very obvious effects on the welfare of the Canadian economy.

A further question that can be asked is whether this is the best way to assist developing countries. We must be concerned with the development of new nations. I feel we have a moral obligation to do so. But in carrying out our programs, we must respect the sovereignty of those nations, both political and economic, and we must allo-

cate funds to help those countries develop their own resources. But this bill encourages private investment as part of our contribution. I suggest that a very important question is: should this be encouraged as part of government policies and programs? I feel we would be much better off to provide our assistance in the form of official aid under public auspices.

• (3:40 p.m.)

There is further cause for concern with regard to the position of the Export Development Corporation when we take note of a reference in its 1969 annual report which sets out what the corporation had done to the end of 1969 in carrying out the provisions of this particular portion of the act. I feel it is important to draw this particular matter to the attention of hon. members. I quote from the report as follows:

Foreign investment insurance is available for the first time in Canada under the Export Development Act. Insurance against loss due to political risks such as war or revolution, confiscation or expropriation, or the inability to repatriate capital or transfer earnings is available to Canadians wishing to invest abroad. Such insurance is restricted to new investments made in developing countries.

A bilateral agreement must be signed with the government of the host country as a pre-requisite to operating the programme in that country. Negotiations have been initiated with a number of countries but by the end of the year none had reached the signing stage.

To enable investors to proceed with their investment EDC has adopted the technique of issuing a waiver letter. The investor, upon receipt of such a letter, should he elect to go ahead with his investment, will not have his case prejudiced at a later date on the ground that he no longer has a new investment.

It is very interesting to note the use of the term "political risk." We need to take a look at this particular part of the program in terms of what we would think if the position were reversed. What would we think if such laws were passed in other countries applying to Canada? Possibly there are some such laws in some countries, but I am not aware of them. We would have some objection to such a law if it might apply to Canada.

Now, we are confronted with an amendment which will remove the pre-requisite of a bilateral agreement. This provision is contained in clause 8 of the bill. If the amendment is passed, that provision will read:

"(d) that would insure an investor against the risk of loss of or in respect of an investment in a foreign country unless

(i) the Minister is satisfied that the interests of the Corporation in investments in that country will be protected, and

(ii) the government of that country has signified its approval of the investment by that investor."

It seems to me that this is a much more loose wording than we had in the original act. Within the framework of policy as it is presently set out, it certainly becomes very tenuous and questionable. The government's action in bringing this amendment before us demonstrates the original concerns expressed regarding the policy itself. I feel it must be examined very closely. I certainly feel that the remarks of the Parliamentary Secretary today, together with the answer he gave to my question, indicate that there have been objections by governments of