

Investment Canada Act

allows, in some cases, some slight discretion to the Minister, but on the basis of the Minister's performance in the last six months when we have asked him repeatedly to explain the undertakings of a company such as Black & Decker, he totally refused. There is no indication that he would change that policy under the new legislation. Therefore, there is need for a requirement that that information be published and also that information about the conditions upon which approval was given or the grounds upon which approval was refused be published.

I am particularly concerned about the effect of this clause on Canada's garment manufacturing industry. There are 150,000 jobs at stake, approximately 30,000 of which are in Metropolitan Toronto. Many of those are in Spadina. This is an industry which is presently more than 80 per cent owned and controlled by Canadians. Many small business people and many individuals who are not small business people have pioneered for generations the businesses that have been an important part of Spadina and many other areas of Canada such as Montreal and Guelph. We cannot take for granted that this industry will continue to be four-fifths Canadian owned.

The industry is becoming concentrated. It is bringing in more expensive electronically-controlled equipment, and foreign investors are indeed beginning to buy holdings in the Spadina garment industry, whether taking over existing industries or establishing new ones with extremely predatory competitive rates.

In particular, there is now a rush of capital from Hong Kong into the Spadina garment industry. That is why this kind of review is needed urgently and should be incorporated into this legislation, as we have asked in our amendment.

Included in the information we want is to know a great deal about the operation of the company and its habits; its employment practices, and the research and development that it conducts either in the home country or in Canada, if already operating here. The information should include what it proposes to do in research and development.

We want to know about its export policy and between factory pricing policies—whether it will try to evade Canadian taxes by rigging its prices between factories. We would like to know its policies for remittances of fees and services or for dividends and interest.

We would like to know what it does with its undistributed profits. Is it investing profits from Canadian operations into Canada or is it milking Canada of these profits?

Many of these investors may well be multi-nationals. We would like to know the details of their world product mandate system. We have heard of this in the automobile industry but we also know that new technological development in the garment industry make this a very real possibility in the not too distant future. Those industries in Canada could be shut down, if not totally then to a large extent, for the sake of industries in countries that pay perhaps 10 per cent of Canadian wage rates.

We would also like to know how parent companies operate at home with respect to such matters as financial contributions to the cultural and educational life of the subsidiary's country. For example, do they intend to give equal treatment to Canada in that respect?

We also would like to know the functions of Canadian banks in takeovers. We have heard of many cases of Canadian companies being bought out with Canadian money from Canadian banks in the hands of a foreign investor. In that case, no new money is brought into Canada. Contrary to the belief of the Government, Canadian takeovers have taken place with very little new money but simply with Canadian money being used to buy out a Canadian industry in the interest of a foreign company which can then shut it down.

Statistics Canada could also provide relevant information with respect to undistributed profits of the Canadian businesses that are already owned and controlled by non-Canadian owners, and indicate whether those profits are reinvested in Canada.

Before a major assault begins on Canada's garment industry, this legislation should be in place so that we can monitor it closely and provide the Government with the power to take what action is necessary. The owners, workers and neighbours of our garment industry will be able to monitor what the Government does by having access to the information which the Government has gathered. The public—particularly the 150,000 Canadians whose livelihood is concerned here—should have access to the vital information that the Government can require by regulation.

• (1650)

All that vital information should be required by government regulations and should be made public in the interests of the people whose jobs, business holdings and shares are being put in jeopardy by foreign takeovers in many cases. In the interests of those Canadian citizens or Canadian residents, that information should be obtained by the Government and made public. If it is a new business, under this legislation it would not be reviewable for conditions under Investment Canada. I am not satisfied with that, but other Hon. Members will be speaking to that matter.

At least notification is required. We should know whether 5, 50 or 100 garment factories in Spadina have been taken over. We should know who has taken them over. We should have a good deal of information along the lines I have just described, even though there are no conditions. We should know what sort of operation is moving into the country, perhaps setting up a parallel operation which is perhaps funded so as to destroy the Canadian operation. If it is a takeover, the law requires that minimum conditions be determined by the Minister, and those conditions should be published. I ask that Motion No. 74 be given serious consideration by the House.

[Translation]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, perhaps I should follow the suggestion made by my colleague