

*Foreign Investment Review Act*

and in reviewing whether foreign investment is the best way to develop certain economic areas of our life. We in the official opposition party support this committee and look forward to its establishment and the review which it will undertake. I would warn the government that if it has any intention of setting up this committee in order to find a way to eliminate any future scrutiny of foreign investment in Canada, they will run into substantial difficulty, not only from members of this House but from Canadians throughout the country.

We must look forward to developing Canada's future, particularly in the small business sector. One of the things which the minister indicated, I might add, was that there were some thoughts about removing the scrutiny or review of the takeovers of firms which have less than 100 employees, or, in other words, our small business sector. That is of great concern to me because it is the small business sector in this country which develops the innovations of the future and which is the most productive in terms of job creation within our society. I would hope that the government would not allow foreign corporations to come in and take over this most productive sector of our economy before it has a chance to prove its worth in Canada and to prove all the benefits which it could bring to our economy. What we will be losing is a screening power in our country which comes in at the most productive point in a firm's life.

I am in favour of the establishment of the committee, but I hope that we will be able to have a full and objective evaluation of this particular question and that, if the evidence is clearly there, the government will strongly support an increase in the powers of the Foreign Investment Review Agency, or an organization similar to that which will look out for the interests of Canada on the question of foreign investment.

**Mr. Bob Rae (Broadview-Greenwood):** Mr. Speaker, we have been treated to rather extraordinary performances both before lunch and after lunch. First we had the Minister of State for International Trade (Mr. Wilson), and then we had the spokesman for the Liberal party, the hon. member for Ottawa Centre (Mr. Evans).

The minister started his remarks with the comment that the main reason we need a review of the Foreign Investment Review Act and the Foreign Investment Review Agency is that no other country has such an agency. Apparently we are unique in the industrialized world in this regard. I might suggest to the minister that the reason that we are so unique is that no other country in the industrialized west has such a problem. There is no other country in the industrialized west that has an economy which is so dominated by foreign investment and multinational corporations as Canada. In a sense we are, at one and the same time, an industrialized country, but our economy has many of the features of the developing countries. We have the same patterns of dependence on very few resources, the exploitation of which is controlled by forces outside the country and the prices of which are controlled and set by international corporations over which we have precious little control.

To that extent, our economy is similar, not to the economies of other industrialized countries such as The Netherlands,

[Mr. Evans.]

United Kingdom, Germany, France or Japan, but of Third World countries. I would say to the Minister of State for International Trade that it may be true that no other country has a FIRA, but no other country needs a FIRA or a strengthened FIRA as much as our country.

The second point which came out of the minister's speech was that he wanted this committee to have a chance to look at the question of the workings of the Foreign Investment Review Act because there were two points of view that were being expressed. There was the point of view that there was not sufficient control of foreign investment, and there was the point of view that there was too much control of foreign investment. At no point in his speech other than obliquely did the minister indicate to this House which side of the fence he was on. At no time did the minister state the reason Canadians were so concerned—not just in 1973, but going back for years and generations—over the loss of power of our country to control its economic future and economic developments.

Not once did the Minister of State for International Trade indicate the harsh realities of having an economy that is controlled by other countries and by the multinational companies. In fact, the only messages we have had from this government have been that we should scrap the Foreign Investment Review Agency because it was preventing necessary foreign investment in Canada. For example, we had the Minister of Finance (Mr. Crosbie) while he was in England this summer saying, according to a report in the *Toronto Star* of September 21, 1979:

I think to some extent FIRA has hampered much-needed foreign investment in Canada—it's caused many people to think twice before putting their money in Canada—

He told this to reporters in London after he had been talking to exporters while in that country. The story goes on to say that the Minister of Industry, Trade and Commerce, the invisible parliamentarian, emerged to say that the West Germans had good cause to be concerned about FIRA and that he was concerned about it as well. Just to give hon. members an indication of how confused the senator is, there is a story which was reported in the *Ottawa Citizen* on Thursday, October 18, 1979, in which he indicated how concerned he was over the fact that \$1.6 billion worth of high technology manufacturing businesses had been sold to foreign companies last year. He says he is concerned about that. The article goes on to say:

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The senator said the increase in takeovers makes the Conservative government's plan to investigate the operations of FIRA more urgent.

'We want to see where the weaknesses are and see what changes can be made.'

The minister said it is not beyond the realm of possibility that FIRA, set up in April, 1978, by the Liberals, will be scrapped altogether.

That is consistency for you! That is the consistent view of the Tory party, each paragraph contradicting the last. There was no indication by either the Minister of Finance or that invisible parliamentarian, the Minister of Industry, Trade and Commerce (Mr. de Cotret), that they had any over-all concept of the impact of foreign investment on the economy or any idea of the effect of foreign investment and the consequences