further worried that economic and social policies in the country would be determined by foreign investors. I remind him that between 1980 and 1984, $18 billion of direct investment capital left Canada. There is no need to ask what effect that had on working men and women. The answer is obvious.

• (1630)

The Foreign Investment Review Agency, or FIRA as it is called, was established in 1974 to screen foreign investment proposals and to determine if those investments would have significant benefits to Canada. Unfortunately, instead of encouraging investment, it sent out signals leading interested foreign and domestic investors to think Canada was not receptive to foreign investment.

The Bill before us will undo the damage that FIRA has done, and it puts a new agency into place with a clear mandate to encourage and facilitate investment, with a fresh and different philosophical approach. I think the approach is worth noting and I draw attention to the preamble to Bill C-15 which states that "increased capital and technology would benefit Canada" and therefore proposes "to encourage investment in Canada by Canadians and non-Canadians that contribute to economic growth and employment opportunities". FIRA, by contrast, stresses "that the extent to which control of Canadian industry, trade and commerce has been acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern,". Under the present Bill, the criterion for allowance is net benefit to Canada, which is a more practical approach.

Canadians asked for change, in fact they demanded change, and the economic statement made it clear that the Government intends to carry out that mandate. As part of that change of thrust, a clear message is going out that Canada wishes to become a better place for foreign investors to do business.

There are those, of course, who believe that foreign investment in Canada is dangerous and who call for less rather than more foreign capital. That would be fine if we did not need foreign investment, but we do. The Conference Board of Canada in its second in a series of studies on the role of foreign investment in Canada received some very interesting replies to the questionnaires it sent out. According to the study's author, over half of those surveyed said that FIRA had hindered their investment plans.

The President of the Conference Board in a release last week has now concluded that although the second report indicated that there were a number of areas of concern to investors in Canada, in looking at the new legislation, each of these areas has been addressed.

This Bill has won the general approval of the business community, and I can think of no endorsement more significant than that of the Vice-President of the Canadian Chamber of Commerce who is quoted as saying, "Now we have something solid—here's the beef". I believe he put that very well.

The *Financial Post* of January 5 calls this new legislation a giant step forward on the foreign investment front. It goes on to call for the Government to deal with the present unfinished business and to administer the new legislation in a manner which keeps the focus on the role foreign investment must play quickly in the national economic strategy of reliance on the private sector.

For those who argue that foreign investment rules should be tightened, not loosened, there is no reason for them to be worried about this new legislation. Investment Canada, while welcoming foreign capital, still reserves the authority to review any purchase in sensitive areas or when the investment is over a certain amount. The money is not coming into Canada without scrutiny, but it will come in without hindrance unless there is a valid reason for delay.

For those who call for less foreign investment and less involvement with the U.S., it would be well to remember that almost a third of Canada's Gross National Product in 1983 was attributable to exports. Of total exports, 73 per cent went to the United States, as did 80 per cent of manufactured goods. This means that about 20 per cent of Canada's GNP and the jobs of 3 million Canadians depend on the U.S. market.

The newly industrialized countries have become more competitive, and protectionist pressures have grown in the U.S. Canada is particularly vulnerable in that our $130 billion in two-way trade is much more important to us than it is to the Americans. We should not take that market for granted in spite of our proximity to the States and our long history of friendly relations.

If we are to create 2 million new jobs over the next few years, it is estimated that we will need about $4 billion in foreign investment, and even at that we will still need three Canadian dollars for every one foreign dollar.

We have reached a point where we have to be practical in our approach. Under this new Bill, the maximum turnover time for a foreign investment application will be 45 days. The Minister will decide, rather than the full Cabinet, if the new foreign investment offers a net benefit to Canada. We will no longer read articles like the one in the Halifax *Chronicle* of December 8 last when, in a column about foreign investment, it mentioned the whole Cabinet pondering a $1,000 takeover when the average cost to the taxpayers of a FIRA review is $6,000. That certainly is a case of over-kill.

Investment Canada represents an honest effort to find a solution to the long-standing problem of how to get the necessary capital to develop and still maintain control over our own destiny. This Bill offers an opportunity to do both in a realistic way.

It is obvious that Canadians will not, or cannot, provide the investment necessary, and the only answer is foreign capital, since Government alone cannot provide the 1,500,000 jobs so urgently needed in this country.

In my own riding, there are firms that are ready to expand and have the expertise and manpower. What they lack is