

Foreign Investment Review Agency

do not accomplish all those things in Canada. There is a higher incidence of foreign investment in resource manufacturing and other sectors of our economy than there is in any other industrialized country.

I think that was one of the problems, Mr. Speaker. Many studies show that because we have so much foreign investment we do not have as much control as we should have and we have more unemployment than we should have.

Just a year ago Statistics Canada published a report which showed that foreign firms import about four times as much as Canadian firms. In other words, a foreign firm has more of a tendency to import from its parent company in Japan, the United States or elsewhere, than has a Canadian company. If we had Canadianized our industry as other countries have done in the last 50 or 100 years, we would not import as many manufactured goods today.

Research and development is another problem, Mr. Speaker. We spend less on this than almost any other industrialized country because so much research is done by parent companies. We spend about the same proportion of our GNP on R and D as does India, Egypt or Ireland. We spend a lot less than the European countries, Japan and the United States. It can easily be seen that those countries are making greater strides in modernizing their industries and in being competitive than we are. We must Canadianize if we are to have more R and D in this country.

A good example is the case in Montreal of the Ayerst Laboratories which moved to the United States because that is where their parent company is located. The Montreal facility is being closed although it is the major pharmaceutical research facility and laboratory in Canada. Unless the Government acts, it will be lost.

That is why it is so important that motions such as the one before us today are approved by the House. We must have more information about what FIRA does and does not do. I maintain that it does not have as many teeth as it should have. It is not as strong as similar agencies in other parts of the world. If we had more information about it, perhaps it would be easier for us to stand up for Canada, as other countries stand up for themselves.

Another example is the Bowater plant in Newfoundland. In the last couple of years Bowater made about \$40 million-odd profit in this country and sent over \$30 million of it to the parent firm in Britain. Canadian workers are efficient and productive so the company made a good profit, but because it is owned by foreigners the profits are invested elsewhere. Then, all of a sudden the plant in Corner Brook is closed down through no fault of the people there.

Another example that has been used by many Conservatives is the Iron Company of Canada in Schefferville, Quebec. They have spoken of Brian Mulroney as the man who closed down a town. Despite the fact that the company has made a lot of money in Canada, it decided to close down the Schefferville operation and invest its money elsewhere.

There are many other examples that show why we must become more Canadianized, Mr. Speaker. The United States firm of Price-Waterhouse conducted a study of 73 countries

which concluded that Canada has fewer barriers to international investment and fewer regulations governing international investment than almost any other country that was studied. We should take notice of that, Mr. Speaker, and be as nationalist in a positive sense as other countries are.

In the United States there are all kinds of regulations and rules that screen foreign investment. A foreigner cannot buy a radio or television station in the United States because of the regulations. There are many other areas in which Canadians cannot invest in the United States.

These are some of the areas that should concern Members of all political stripes, Mr. Speaker. In Japan, France and Germany, governments of different stripes have decided that their own nationals will control their economies.

The motion asks that certain papers concerning FIRA be made available for a particular case study. I should like to remind the House of a promise made by the Prime Minister (Mr. Trudeau) in 1980 when he was Leader of the Opposition and Leader of the Liberal Party. Just before the election campaign he said: "We want to expand and strengthen FIRA, not weaken it". In April of the same year in the Speech from the Throne he said:

My ministers believe that the stake of Canadians in their own economic destiny must be strengthened . . . the Foreign Investment Review Act will be amended to provide for performance reviews of how large foreign firms are meeting the test of bringing substantial benefits to Canada.

The Prime Minister made two other promises about FIRA, but when I questioned him in the House ten days ago, he admitted that he had not kept them. I would encourage Members of the Liberal Party to put pressure on their Leader, who was elected in part because of the promises he made, to keep those promises and to do in this country what has been done in most other countries.

I fear that we are backing down on FIRA because of threats made by the Reagan administration. The matter has been taken up at meetings of GATT in Geneva. The United States claims that FIRA is too restrictive and instead of standing up and fighting for it, trying to explain and strengthen it, the Government has crumbled to the pressure and has started to pull the teeth from FIRA.

Canadians want more control over their economy and over their destiny. I think many people wish that we had Canadianized a lot sooner and a lot faster—that we had done what the United States, Japan or western Europe has been doing for the last 20 or 30 years, and that is control our own destiny. Canadians have the ability and the confidence to do this. They have a vision of what Canada can be like.

I encourage the Government to produce these papers and make more and more information available. I encourage them to end some of the cynicism that exists in Canadian politics by making sure that election promises are implemented. In February, 1980 the Prime Minister, as Leader of the Liberal Party of the day, said that he would strengthen FIRA by doing three specific things. Two weeks ago in this House he admitted that he had not kept that promise. I call on Hon. Members opposite to be men and women of their word and for the