

Investment Canada Act

However, the point I want to make is that the Bovey report on post-secondary education in Ontario says something which is very relevant to the Bill and the amendment before us, and I want to put it on the record. Mr. Bovey and his commission found that foreign subsidiaries in this country have a propensity to support research and development in our universities to a much lesser degree than their parent companies are willing to support research and development in other post-secondary educational institutions, particularly in the United States. Also the Bovey report confirmed that foreign subsidiaries, particularly American ones, generally carry out research and development in our country to a lesser degree than is the case for their parents. This approach may well serve the interests of the parent companies, but this approach does not serve the Canadian public interest.

If there are subjects on which there could be some agreement by Hon. Members on all sides of the House, one is that we have to do more research and development in this country. The Government says that it expects more of this needed research and development to be carried out in the private sector. However, this expectation is only an empty and barren hope so long as the present situation which I have been describing continues, one in which subsidiaries of foreign parent firms are prevented from carrying out research and development activities to the extent that would be logical and practical if they had the full scope to carry out activities along the lines of their opportunities and potential.

A problem with the clause of the Bill in question is that it does not recognize these realities of the Canadian industrial and economic structure. Instead, in some kind of fanciful, unrealistic fashion, it seems to suggest that any degree of foreign investment here would necessarily be beneficial.

That is why—and I conclude—I strongly urge the House to accept the amendment offered on behalf of the Official Opposition by the Hon. Member for Winnipeg-Fort Garry. It will put into this Bill a much more realistic and honest statement of purpose, indicating that this kind of legislation has to serve the Canadian public interest and ensure that foreign investment is beneficial to Canada when it comes to jobs, research and development, exports, sourcing and all the things which count in this country. The words in the Bill now do not do this, and that is why I say the amendment has to be adopted by the House in the interests of the Canadian economy.

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise in support of Motion No. 2 for a number of reasons. In earlier years in my experience in this Chamber we went through the exercise of the foreign investment review legislation. I might say in passing that because it was a minority Parliament, we compelled the Liberals to do something about the ownership of our economy.

This matter concerns our sovereignty and our economic independence. This matter concerns our nationhood. If we do not learn from history, we are condemned to repeat it. Throughout the entire history of our country, our experience with foreign-owned corporations was that they seldom, if ever, did any significant research and development but, if they

did, it went back to the head office of the parent company, usually the United States and sometimes Europe. Those investors do not invest in Canada just because they think we are such nice people or just because they want to help us out. They do not look upon those investments as if we were some kind of charitable case which needs help. We are not another Ethiopia. However, they invest in order to make a return on the investment and to protect the interests of the parent company, even when in the course of protecting the interest of the parent company they do harm to Canadian jobs, Canadian entrepreneurs and the Canadian ability to export and sell, even to the country of the parent company.

• (1700)

In the case of research and development and technological developments, we have that lesson in spades from foreign-owned corporations in this country. Most nations want and accept foreign investment. The question is not whether we have foreign investment, but what kind of foreign investment. There are two kinds. The first is ownership investment, ownership capital, in which the foreign investor comes into our country and acquires ownership, either by starting up a new corporation or buying out one. It owns it. It has ownership. That is equity investment.

The alternative in terms of foreign investment is loan capital. It has happened all these years. Hundreds of millions of dollars of foreign capital have come into Canada as loan capital. You pay back the loans and you end up, whether a private corporation, a co-operative or a public corporation, owning it. You have paid back the foreign investors their loan capital. You have paid them with a good return on their loan capital. That is the route that our country should be taking.

The legislation is an admission by the Conservative Government of failure. It says that Canadians cannot generate sufficient capital within our borders. If that is true or partly true that Canadians cannot obtain Canadian capital to go into a Canadian-owned corporation, it is a betrayal of our sovereignty and our nationhood.

There is still a law in the Criminal Code against soliciting or living off the avails of prostitution. The Government is soliciting. I mean just that. It is soliciting, as it is worded in the Criminal Code, by prostitution our sovereignty and our nationhood. It is soliciting. It is working both sides of the street to get foreign investment. Then it wants to do a little pimping, which is also illegal under the Criminal Code. You cannot live off the avails of prostitution. The Government expects all Canadians to be party to that and live off the avails of that prostituting of our nationhood and our sovereignty.

In the area of research and development and technological developments by foreign-owned companies, the history of foreign-owned corporations in this country has been dismal and abysmal. Let me give an illustration. In the early 1960s, 1960, 1961 and 1962—the Ford Motor Company of Canada did some research and development in terms of putting out trucks that would do well in a tropical climate. It made a deal with Cuba. These trucks were to be produced by Canadian