

Investment Canada Act

that they attribute to Canadianization are federal and provincial Governments taking over concerns which used to be foreign-owned and, in the case of Petro-Canada or something like that, simply calling them Canadian without making it abundantly clear that it is nationalization and state ownership about which they are talking.

Mr. Axworthy: Mr. Speaker, when the Hon. Minister refers to a woolly statement, I would only say, looking across from me, that it is the first time I have ever seen a goat with wool between its ears. The fact of the matter is that I have never heard such incredible, economic convulsion in all my life.

The Minister points to net capital outflow. I presume this is a Minister who has some economic responsibilities in the Government. Is he so blind and so ignorant that he is unaware of the fact that the United States has become the central focus of large movements of capital from every country in the world because of its high interest rates? The entire international monetary system is being put in real jeopardy by the inflationary push around the world, and the Minister does not even take note of that fact. God knows why we are in trouble with the Budget, if this is the kind of economic analysis we receive from the Government's chief economic Ministers. Of course there is a net outflow of capital, as there is a net outflow of capital from every other country, because of the policies taken by the Reagan administration and because interest rates are drawing that flow into that country.

If this is to be a reasonably responsible debate, it seems to me that the Minister has some obligation to display—and I know he loves to tell a good story, not get confused by the facts—a tidbit of relevance to reality.

If the Minister is so concerned about the net outflow of capital to the United States in particular, did he personally oppose the proposal and proposition put forward by the Minister of Finance (Mr. Wilson), which has taken a very large pool of capital under pension funds, some \$30 billion according to the estimate in this week's edition of the *Financial Post*, and is offering it as a carrot in a three-for-one sale so that large pension funds can now have enormous leakages of Canadian capital into foreign countries in order to get them to invest in small business? If he is as concerned about net accounting as he seems to be, why did he agree with such a proposal, which will have as its end result a massive haemorrhaging of Canadian capital out of the country, not being used for investment here at home?

Mr. Stevens: Mr. Speaker, the Hon. Member refers to the phenomenal interest rate increases which have occurred. However, he is overlooking the facts, and it is the facts with which I want to deal today. During the years to which I referred, Canadian interest rates were consistently higher than American ones. The fact is that in 1981, at a time when we had a net outflow of capital of \$2.9 billion and higher interest rates than the United States, the Americans with lower interest rates had a net inflow of \$22 billion. In 1982, we had a net outflow of \$2 billion, with higher interest rates than the Americans. At the

same time, the Americans had a net inflow of \$10 billion. Those are lost jobs in Canada that we are talking about.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

Mr. Langdon: Mr. Speaker, I rise, first, on a point of order if I may. According to the Order for today, lengths of speeches are pursuant to Standing Order 35(1). Unlimited time exists for the Minister moving the motion and the Member replying immediately after the Minister. I just want to confirm whether that is correct.

Mr. Axworthy: Mr. Speaker, I rise to speak to the point of order. Once again, due to a certain hesitation on the part of the benches opposite, when it became the initial responsibility of the Minister to rise to his feet to move the motion, he did not. Therefore, we stepped in and Mr. Speaker ruled, before you took the chair, Sir, that the speeches would be limited to 20 minutes. That was the basis upon which both the Minister and I made our remarks, and I presume the same standard would apply.

[Translation]

Mrs. Maily: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Gatineau (Mrs. Maily) on a point of order.

Mrs. Maily: With due deference to my House colleague, Mr. Speaker, I want to say that it is not the way things happened. The fact is that the Chair read the proposed motion to amend the Bill and asked whether we agreed. Those who did said yea, and that is when the Minister rose. The Chair realized that the Opposition did not seem to appreciate what was going on, that the amendment was going to be defeated, and the Whip of the Official Opposition then rose in a hurry and urged his colleague to stand up, and that is how they got sidetracked—

Mr. Gauthier: I want to set the record straight, Mr. Speaker. What the Hon. Member has just said is completely wrong.

The Acting Speaker (Mr. Charest): Order, please. I think it is out of order anyway.

In answer to the question of the Hon. Member for Essex-Windsor (Mr. Langdon)—

[English]

That would have been the case, had the Hon. Minister of Regional Industrial Expansion (Mr. Stevens) risen first to address the Bill. In these circumstances it is the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who rose in the House, so we are proceeding according to the rules with 20-minute speeches and 10-minute periods of questions and comments.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, thank you for clarifying that matter. I must say that it is a