

Supply

Ms. McDonald: Mr. Speaker, the Hon. Member mixes up a whole lot of different issues, but I will try to deal with them one by one.

First, yes, I am very well aware that we have 26 million people and our market is effectively much smaller because we have a francophone and an Anglophone population. For practical purposes, the number is much smaller compared to the U.S., which is 10 times our size. That means we must have practical measures to deal with this enormous imbalance. No one is suggesting that we try to close the borders or scramble messages. This is totally ridiculous. My concern is that we get good Canadian programming on the air which Canadians want to see. It is not a question of being negative about programming from any other country. It is a question of Canadians having the opportunity to see good Canadian programming in Canada.

In being so negative about my remarks, which were about the benefits of having Canadian investment in our cultural industries, is the Hon. Member saying she does not want Canadian investment? Does she want to see more foreign control? It is quite clear that the areas in which we have predominant Canadian investment are thriving. Where we have foreign investment are the areas with a great deal of difficulty.

The Hon. Member raised the matter of book publishing. She said her Government has supported it. I remind her that with the tariff the Government took \$12 million from that industry.

Mrs. Mailly: On American books.

Ms. McDonald: Not just on American books. It was on English language books which could come from any country.

Mrs. Mailly: American books.

Ms. McDonald: It discriminated against Canadian authors published in the U.S. or in co-production arrangements with Canadian and American companies. Canadian authors were discriminated against by this measure.

Mrs. Mailly: Wishing will not make it so.

Ms. McDonald: I certainly would like to see more Canadian control and investment in our cultural industries, but I do not want to close the door to people being able to buy what they want in the way of books or magazines from other countries. My concern is that there be good Canadian books and magazines and films that they can see. I do not think there should be a tariff on American, British, French or any other books that come into this country. I do not think there should be taxes on books. I was appalled that the Conservative Government would put a tax on books.

Finally, I simply want to say that if the Hon. Member's point is that she wants to see a loss of control in our cultural industry then she should make it very clear that she is repudiating government policy of increasing control in those areas.

Mrs. Mailly: You know very well that that is not what I am saying.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I sincerely wish to thank the Hon. Member for Essex—Windsor (Mr. Langdon) for putting forward this motion today. I am delighted to have the opportunity to set the record straight on the Government's policy on investment.

Let us start first with statistics which have been tossed around this House over the last few days by some members of the Opposition.

[Translation]

It has been asserted, Mr. Speaker, that according to Investment Canada's 1986 Annual Report, 95 per cent of all foreign investment has been acquisitions and only 5 per cent has been new businesses.

Mr. Speaker, this is playing with figures. Those figures are based on asset values, which, taken by themselves can be distorting. Acquisitions involve a mix of small, medium and large businesses with well established asset bases. By contrast, new business values reflect only short-term start-up estimates. These are typically modest and in no way reflect the potential growth and future of the new business. A more accurate way of expressing what is happening in the economy is to state that 60 per cent of the investment transactions recorded by Investment Canada were acquisitions and 40 per cent new businesses.

We all know that new businesses are the major source of new jobs and new technologies. In many acquisitions, Mr. Speaker, the Canadian corporation has been in financial difficulty and the foreign investor has been the source of job preservation.

Foreign investors also bring new capital, new management, new technologies, and access to new markets and thus contribute to Canadian corporate growth.

Using updated figures (July 1, 1985 to March 31, 1987), the number of new businesses coming under the Investment Canada Act totalled 631 and not 573 as previously mentioned. The value of short-term planned investment associated with these proposals amounted to over 1.4 billion dollars with planned employment creation of 10,240.

• (1530)

[English]

The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) mentioned that foreign acquisitions amounted to \$20 billion and that once again the Government was selling Canada out. The Member should know that more than \$10 billion worth was already owned by foreigners and is only moving from foreign hands to foreign hands. That leaves only