or guidelines. We are witnessing one of the worst cover-ups by the Government because it deals with something that will affect every part of this country.

Let me explain why investment policy is so crucial. The Prime Minister asked how could we be against jobs. The Minister asked how could we be against employment. We brought statistics to the House that were provided by the Government's own agency. In the last 15 months in which Investment Canada has kept records, there has been $22 billion worth of foreign investment, $21 billion of which has gone into takeovers and acquisitions of existing companies. Only 5 per cent of that foreign investment has gone into new business.

Some 80,000 Canadian employees are now under foreign owners, with less than 5,000 jobs in return for that $22 billion. I ask, does that demonstrate that this wide open policy is working to the benefit of Canadians? That does not appear to be the opinion of Investment Canada, given those disproportionate figures. One can only conclude from the figures provided by the Government's own agency that it desires further takeovers and acquisitions of Canadian businesses by foreigners.

Let us take the problem one step further. Some may ask what is wrong with foreign investment. There is nothing wrong with foreign investment, as long as it works toward the production of jobs and increased research and development in this country. Again, the record is not very clear. Investment Canada has yet to turn down or reject any application. Submitting an application to Investment Canada is like putting slush through a goose, because nothing is stopped.

There must be someone working on behalf of Canadians to require companies investing in Canada to ensure that the Canadian subsidiary will be able to export its goods, maintain employment and have a fair share of research and development. They must ensure that foreign investment will not be used, as it has been in the past, to strip companies of their technology, lay off Canadian workers to be replaced by their own, or to simply cut back employment. We must have someone acting on behalf of Canadians to prevent foreign investors from suffocating the opportunity of foreign-owned Canadian companies to export.

That is in fact what is happening, according to the Government's own reports from the Department of Regional Industrial Expansion. That Department prepared a series of industry-by-industry reports for Mr. Reisman, and they indicated that Canadian subsidiaries had a far lower record in export performance, conducted far less research and development, and in many cases had laid off Canadian employees, compared to Canadian-owned companies. In other words, the record of Canadian subsidiaries in a number of critical areas of the economy is not as good as those Canadian-owned companies. In fact, the report goes on to state that it is the Canadian-owned companies rather than Canadian subsidiaries that are exporting to Japan, Europe, Latin America and the Pacific Rim.

In fact, in a study by Mr. Samuel Wex that was commissioned by the Institute of Research on Public Policy, the suggestion is that in terms of total economic activity, Canadian-owned subsidiaries have less than 4 per cent of their activity in the export market.

Yet, here we are at a time when Canada faces perhaps the toughest and most competitive world environment, and in which we are imploring companies to create new products, develop new markets and create new jobs for Canadians, and the Government is shooting itself in the foot because it is providing the opportunity for the takeover of Canadian companies that are producing that export market and creating those jobs. It is allowing them to be sold out and simply become rubber stamps for many of the foreign-owned decision-makers.

I want to give another interesting example of why we should pay attention to the issue of foreign investment. Perhaps the House does not realize that Canada has the highest level of foreign ownership of any country in the world. Over 60 per cent of our manufacturing is dominated by foreign firms. The incidents of foreign manufacturing has increased incredibly over the last two years. In 1984, $3.9 billion left this country by way of dividends to foreign investors. In 1986, it amounted to $5.3 billion.

Mr. Daubney: That is because the economy is going again.

Mr. Axworthy: That is money that is not being invested in Canada.

Mr. Daubney: It is a measure of economic growth.

Mr. Axworthy: Let us consider the famous example of the Dome takeover by Amoco. That is a company with a wonderful corporate record, with about $30 million or $40 million worth of investment in Canada and $200 million or $300 million returning to the head office by way of dividends.

At the same time that the outflow of money has increased substantially, reinvestment in Canada has been going down. In 1984, $5.3 billion was reinvested in Canada. By 1986, that reinvestment amounted to $4.6 billion. Surely these figures should be a cause of concern and a reason that any further attempt to broaden or open the doors for more takeovers and acquisitions should alarm Canadians.

We are making these points because we will reverse that trend and return the kind of policy that will certainly have foreign investment, but foreign investment that is based upon Canadian interests.

Mr. James: We saw that.

Mr. Axworthy: We had foreign investment but the Hon. Member for Sarnia—Lambton (Mr. James) will know that companies came in under those provisions which required them to do research and development, to build plants here and create jobs here. The Tories have left the doors wide open and there no longer are controls.