

Investment Canada Act

Mr. Riis: Then let us get them working, Mr. Speaker. I would like to ask the Hon. Member opposite, who is doing all the responding—I won't say "yelling"—to tell us where research and development is going to take place in the country. It is going to take place in a branch plant of a foreign company or it is going to take place back home where the parent company sits? The facts are perfectly clear, Mr. Speaker: the research and development takes place in the parent company's headquarters, not in a foreign branch plant.

● (1200)

If this were Congress today and Congress was told that 30 per cent of all non-financial institutions in the U.S. were owned or controlled by foreign interests, there would be panic. It is only 3 per cent there but what do we find before Congress today? There are Bills being presented to almost every economic committee of Congress to protect American enterprises at home because 3 per cent of all non-financial institutions are foreign-controlled. But here the percentage is 30 per cent. In the manufacturing sector it is 48 per cent. In mining it is 40 per cent. The oil and gas industry, one of the most critical resource sectors in our country, is 65 per cent foreign controlled. This means that the Government of Canada is saying that it wants the economic future of our sons and daughters, our grandchildren, nieces and nephews, to be determined in Hong Kong, Tokyo, Frankfurt and other cities in foreign countries.

Mr. King: You know better than that.

Mr. Riis: I do not know better than that! Let the Hon. Member stand in his place and prove that the economic future of his grandchildren, and I assume he has grandchildren, is not being determined by businessmen from Hong Kong, Japan or the U.S. It is certainly not being determined by Canadians. No other industrialized nation in the world is faced with the percentage of foreign control that I have just quoted. No other industrialized nation would tolerate for a moment that amount of foreign control. But not only do we accept it, the Government of Canada says we want more. Can you believe it, Mr. Speaker? The Government of Canada is saying that we want more foreign investment, more foreign control of our economy, that we want to have more research and development done outside of this country.

It is time we started looking at what this Bill really represents. It means that research and development is going to move out of our country. As foreign control of our economy increases, research and development is done in the country of the parent company. This will result in an exodus of jobs. Many of these branch plants are here to serve the Canadian market only. Not long ago the President of Bell & Howell said this to Canadians: "You have to understand our mandate here in Canada. Bell & Howell has been established here since 1954 with the prime objective of selling its products to the Canadian market without the intention to export to other markets, as our parent company has arrangements for export to Europe and the rest of the world".

One of the critical challenges facing Canadian industry today, Mr. Speaker, is to identify, explore and develop new foreign markets. Yet the President of Bell & Howell says that they are here for the sole purpose of not doing that. A branch plant in Canada is not encouraged, it does not have the mandate, to go out and open up new export opportunities. Why are manufacturers not exploring overseas markets? Why are our resource companies not exploring more overseas markets? Because they are here to develop the Canadian market only.

Consider what that means to the development of a sourcing-in-Canada policy. One of the strongest policies in the United States is the "Buy American" policy. Buy American first. What is our policy in this country as a result of this Bill? It is to buy foreign products as much as possible. It is only natural that foreign branch plants in this country will do their sourcing back home; it is financially to their benefit to do so. Wherever possible they will source their component parts with their parent company or other branch plants. What does that mean for competing Canadian firms? It means that sourcing from Canadian sources as a priority is being put on the back burner. Source foreign is essentially what the Government is saying to the people of Canada.

The best or most recent example I can think of concerning what foreign control means is when the Soviets were building a major pipeline through central Europe and a number of companies operating in Canada said that they could not participate in that project because their American parent companies were prohibited by law from doing so.

Mr. McDermid: We introduced a law to change that.

Mr. Riis: There was a law in the United States called the Trading with the Enemy Act. The name has been changed in the last little while but it is to the effect that American branch plants cannot trade with countries we trade with, Mr. Speaker. Cuba is an example. I ask the members of the Government opposite, what does this mean for Canada's economy when so much of it is controlled by foreigners? In some sectors it is 90 per cent, in some it goes as high as 99 per cent controlled by outside foreign interests. What does this mean when those branch plants make profits? Where do the profits go? Are they inevitably invested back here in Canada? Sometimes they are but more often than not it is only natural that they go back to the parent company.

By having Bill C-15 before us today, Mr. Speaker, we are suggesting that we want more money to be drained out of Canada through remission of profits and dividends to other countries. That money should stay here and be invested. So I ask those people opposite to consider that this Bill will result in less research and development and unfair competition for Canadian-owned firms. It will result in profits and dividends being moved out of the country. It will not encourage the development of new markets overseas. Why are we doing this? The Gray report of the 1960s and the Watkins report of the 1970s pointed out in hundreds of pages why we should not be progressing with this Bill today. Have Members opposite read