

thundering about the terrible weakening of the foreign investment legislation by this Government that sits across the way. Perhaps, Mr. Speaker, you are lucky to be in the Chair.

**The Acting Speaker (Mr. Paproski):** Yes, I am. I appreciate the comments of the Hon. Member. The Hon. Member for Windsor West (Mr. Gray).

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I am pleased to rise in the House at this time to speak in support of Motion No. 1 which asks that Bill C-15 be amended in Clause 2 by striking out lines 6 to 14 on page 1 and substituting the following words:

(2) Recognizing that increased capital investment and innovative technology would benefit Canada, the purpose of this Act is to provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth and employment opportunities, and to encourage beneficial investment in Canada by Canadians.

We believe that the amendment that I have just read would be the most appropriate statement of purpose of the Bill before us because, unlike the words in the draft Bill, the words in the amendment set out in a more clear-cut and realistic manner what it is that we as a Government should be looking at on behalf of the Canadian economy and Canadian workers.

If you look at Clause 2 of Bill C-15, Mr. Speaker, you will note that it says:

Recognizing that increased capital and technology would benefit Canada, the purpose of this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities and to provide for the review of significant investments in Canada by non-Canadians in order to ensure such benefit to Canada.

This wording on the surface may sound useful and positive but I suggest that these words contain a number of important flaws and omissions.

First, the paragraph in the Bill as proposed to the House talks of significant investments. What does the Government mean by significant investments? If the Government is talking only about investment above a certain size, then the Government is making a serious error in that it is overlooking the fact that investments from abroad that could well be of importance to Canada could be important irrespective of size. When it comes to the high-tech sector, most of the companies are very small. If we have arbitrary restrictions based on size, and if we look upon only investments above a certain level as being significant, then we are putting on the books a Bill which overlooks the reality of how a number of important sectors in Canada are constructed.

Also, the emphasis in the words of the Bill before us, which we want to replace with the amendment proposed by my colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), is on significant investment rather than on beneficial investments. This raises another important concern about the words of the Bill as presented to the House. The evidence accumulated over the years is very clear, that investment from other countries is not necessarily beneficial to the Canadian public interest. For example, the evidence is very clear that many companies in this country that are owned and controlled by people outside the country have restrictions on what they

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can do. They have restrictions on the kinds of exports they can carry out. In fact, they have restrictions on whether they can export at all.

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Just a few days ago there was an important meeting of the board of directors of the Automotive Industries Association of Canada. This association represents those companies making parts for what is known as the automotive after market, that is to say, parts needed to repair or tune up cars once they have been sold in their initial new form and once they get beyond the initial warranty period. The president of the Automotive Industries Association, after that important board meeting, held a press conference in which he confirmed that many of the companies comprising the membership of his association have limitations of one kind or another about the extent to which they can export their products to other countries. Most of these companies are subsidiaries of American parent companies, and they are prevented from exporting in any way, shape or form to the United States. Others which may be prevented from exporting to the United States may well have some limited authority to export to third countries, and some cannot even do that. This has nothing to do with their ability to produce goods in a competitive fashion, in a way which represents a high level of technology, efficiency and productivity. These limitations may be good for the American or other foreign parent companies, but they are not good for the Canadian public interest.

Also, in the last two or three years there have been studies conducted by Statistics Canada which show that Canadian companies that are subsidiaries of foreign companies have a propensity to import raw materials and components from outside Canada which is higher than is the case for companies which are owned and controlled in our country. This means that there is not enough attention paid by very large numbers of firms in this country to the opportunity to source here or to get components or raw materials here which may be equally if not more competitive when it comes to cost and quality than what they are bringing in from other countries.

There is all sorts of evidence confirming the extent to which subsidiaries of foreign parents are limited in the degree to which they can carry out research and development in Canada. A few months ago a report was presented to the Ontario Legislature. It was the result of a study carried out by Mr. Bovey at the request of the Ontario Government into the plight of post-secondary education in this province. Mr. Bovey made some recommendations in his report to which I cannot give my agreement. There were suggestions that there had to be very large increases in fees for people who want to attend post-secondary educational institutions in Ontario. I fear this is something that would be implemented by a Conservative Government if it should be re-elected in the Province of Ontario. The possibility that this will happen would be a very good reason not to have that Government re-elected in the Ontario provincial election of May 2.