

Nova (Mr. MacKay). Basically, he proposes to give the provinces more power and influence over decisions reached by the screening agency. There is considerable merit in this amendment but I believe the bill as currently worded gives sufficient power to the provinces. It already provides that the minister must take into consideration the economic situation of the various provinces, and this is probably as far as we need go toward meeting the object which the amendment seeks to achieve. One fear which arises in my mind is that if the provinces are given too much power, too great an input, the bill could be rendered totally useless.

For example, if the Province of Alberta were given too much influence over decision-making regarding foreign ownership of the oil industry, Ottawa would be hamstrung when it came to the making of decisions affecting the oil industry. Claims have been made by members of the Conservative party, particularly by those from Alberta, that if we were to restrict the inflow of capital into this country we would be restricting growth, and that this, in turn, would mean fewer jobs for Canadians. This assertion does not hold water, because there are more funds flowing out of Canada today than are flowing into the country in terms of investment. I should like to quote from a paper prepared by a well-known Canadian Mel Hurtig on this very topic. Page 38 of this paper reads, in part:

It is ironic that we should live in a nation which believes it must have foreign capital in order to survive, although during the entire decade of the 1960s foreign firms operating in Canada sent out of Canada in interest, dividends, royalty fees, management fees, etc. over \$2 billion more than all the capital they imported.

Other reports state that of all the foreign activity in Canada, all the investment every year, only approximately 6 per cent involves new money coming in from outside; the other 94 per cent is provided from retained earnings, profits kept in Canada and funds borrowed from Canadian banks or financial institutions. So, I do not think much credence can be given to the assertion that Canada needs vast amounts of foreign capital. What is happening is that we are selling out our country and using our own money in the process.

There are a number of other interesting statistics which might well be borne in mind when considering whether foreign investment really helps this country. If we look at United States investments in countries around the globe in 1967 we find that the total figure involved was \$19.4 billion. What did this mean to United States entrepreneurs? The inflow to the United States by way of dividends, royalties, management fees and so on amounted to \$33.3 billion. In Latin America alone—an area that has been in the news often during the last couple of years—the Americans are by no means the generous, benevolent souls that some people try to make them out to be. They invested \$1.7 billion between 1960 and 1967 and got a return on that investment of \$8.8 billion. So you can see, Mr. Speaker, they are extracting more through their investments than they are actually putting into the country.

● (1600)

This is why I say that the time has now come—indeed, it has long since passed—when the argument that any tough laws are going to exclude necessary capital is no longer relevant. We do have investment money in this country.

### *Foreign Investment Act*

We are a net exporter of capital. It is time we had stronger laws so that these Canadian funds are used to develop Canada. We need all kinds of legislative provisions to this end, certainly many more than are contained in the bill before us today. We need a stronger grandfather clause, a sector by sector approach, controls on banks and lending institutions, so that they do not use their money to finance foreign multinational corporations which control our economy and so Canadian funds are not invested abroad.

The third amendment is moved by the hon. member for Crowfoot (Mr. Horner), and our party is clearly opposed to it. What he seeks to do is to weaken the intent of the bill. The bill will automatically screen an acquisition if the gross assets of the company or corporation concerned are over \$250,000 or if the gross revenues are over \$3 million. The hon. member for Crowfoot wants to raise the minimum from \$250,000 to \$500,000, which would, in effect, exclude literally hundreds of transactions from the screening and review process conducted by the agency to be established.

The fourth amendment is in my own name, and it seeks to do the very opposite. We want to bring down the threshold rate from the \$3 million gross revenue figure to \$1.5 million. We are doing this for a number of reasons. First of all, it is often the small takeovers that are important in a foreign country assuming prominence in a domestic economy. Very often publishing agencies, consulting firms and some stock brokerage firms have very small assets, but their impact on the economy or on the culture of the country can be very significant. Take, for example, the case of an advertising firm. Perhaps an advertising firm will have quite small assets, but its gross revenue and its impact on the country may be very large. Unless the threshold rate is lowered, as we suggest, from \$3 million to \$1.5 million gross revenue, we will exclude from the screening process a lot of advertising firms, consulting agencies and so on. Foreign concerns often gain a lot of control in key sectors of the economy by gobbling up one small firm after another.

Then, amendment No. 5 is in the name of the hon. member for Central Nova (Mr. MacKay). Again, there are some proposals in the amendment that are creditable. I hope that when the Minister of Industry, Trade and Commerce (Mr. Gillespie) appoints people to the screening agency he will make sure they reflect the opinions of all regions of the country. In view of the way the amendment is worded, I question what the hon. member means by "representative". Does he mean that the provinces will appoint someone or that the minister will choose someone from a certain region?

In any event, it is the second part of the fifth amendment to which I object. According to my reading of it, if a decision is to be made that affects a certain region, the people making the decision should comprise a majority of members from the region concerned. If this amendment is passed, a decision about the oil industry in Alberta would have to be made by a group the majority of whom came from Alberta. I think the amendment would weaken what the bill is supposed to be trying to do, which is to develop a national policy on foreign ownership in Canada. We do not want to balkanize this country by pitting one region