

Supply

Mr. David Berger (Laurier): Mr. Speaker, I am pleased to make my contribution to this debate. I am astounded by the statements we have heard in the House over the past few days by the Minister of Regional Industrial Expansion (Mr. Stevens), and by the fact he is happy with the proposed takeover of Mitel by British Telecom. It would be more appropriate to hear the Minister state that he had mixed feelings. Why do I say that? To me it is very clear. One as to feel happy that this particular company, under the circumstances about which we know, has found a partner described by the founders of the company as a preferred partner. They have said that this is a good match. From what we know of British Telecom, it does not have a manufacturing arm. It does not conduct research and development. It is simply a telephone company which provides a service to British customers. Therefore, it is now acquiring a company which may become the principal manufacturing and research arm of Telecom.

This is in an era of global trade when companies are located all across the world, on different continents and in different countries. In this case we have a telephone company in Britain which presumably has access to the European market and we have Mitel, a manufacturing and R and D company in Canada, which has plants and a distribution network in Canada and in the United States. In many respects it seems that this may indeed be an ideal marriage.

I also understand that no Canadian investor was available and that in the past year Mitel actively sought investment by many major corporations. None of them, for one reason or another, was willing to get involved in this company. Despite all these points, I do not think we should say that we are truly happy about the takeover. As Canadians we should feel somewhat saddened that this uniquely Canadian company is slipping a little out of our hands.

● (1640)

Several years ago I was one of the ordinary investors who bought maybe 100 shares in Mitel. I was swept up in the enthusiasm over the fact that here was a small company located in our nation's capital that was making a go of it in Canadian and in world markets. I was proud to participate in the success of this company. With the recession and falling sales in world markets, the company encountered difficulties over the past couple of years. However, we had this initial enthusiasm. The company did fall upon difficult times, but it seemed to maintain its footing. It seems that something can be done to keep this company in Canadian hands. The best one could say about this is that we have mixed feelings. It is strange that the Minister of Regional Industrial Expansion would say that he is happy about this in an unqualified manner. It tells us something about the size of the Canadian economy as well as the size of our market.

Once Canadian companies reach a certain size, they enter a league of their own. In Canada we could not support two, three, four or five Mitel companies. They could merge and form one solid company that could compete on an international basis. In an economy the size of the United States, you

might well have 10 or 12 companies of that nature. If one fell, two might come together. In fact, three or four might join together and have the wherewithal to make a go of it in this tremendously competitive world. We cannot have that in Canada. We can only have one such company.

As I said earlier, when this company had its problems, it went to the Canadian capital market. There are not many companies that are compatible with that kind of request. I do not know who they went to. You could ask yourself who you would go to in this situation. You may go to Brascan, Olympia & York or Cadillac Fairview. All of these companies have their expertise in a specific area. These are Canadian companies in which we take pride. They had made their mark in real estate in Canada and in the United States, but they would not touch a telecommunications company with a ten-foot pole. They do not have the expertise, know how or management to deal with this kind of situation.

The alternatives in Canada are not many, but there are some. In preparing some notes for my speech today, I asked myself about the Canada Development Corporation, as distinct from the CDIC. When the Canada Development Corporation was founded a number of years ago, its purpose was to serve the combination of public and private enterprise. Its purpose was the bringing together of pools of public capital to support investment of a somewhat risky nature. Would the Canada Development Corporation not have been a good partner in this case? Could it not have come in and, not bought control of the company, but rather left control of the company in the hands of the original owners? Maybe it could buy 49 per cent. That would provide the financial stability the company needed to leap-frog into the next level where it could compete with the major companies of this world.

We should be somewhat concerned about this. Our feelings should be mixed. We should be happy. At the same time, we should have a bit of concern that the control of a uniquely Canadian company is somehow falling out of our hands.

Today's papers report that British Aerospace is eyeing two other well-known Canadian companies, de Havilland and Canadair. It is the policy of this Government to put these companies up for sale. It seems that the only buyers available are foreign. Is that what this Government promised Canadians when it sought their confidence during the last election campaign? Did they say there were no solutions in Canada, that we would have to seal all of our critical industries in the area of telecommunications and aerospace to foreigners? Is that the kind of confidence that they offered Canadians? Is that the outlook for our economy? If that all this Government has to offer today, one could say that the September 4 election was won on somewhat false pretences.

This leads me to another point. In the past two days, the Minister of State for Science and Technology (Mr. Siddon) has, for all intents and purposes, stated that the Tory promises of doubling spending on regional development will not be kept. Two days ago in committee, he stated, and I quote from the committee transcript: