

Second, research and development is not done in Canada if the Canadian companies are foreign controlled. Excellent studies from the past indicate that the level of research and development done in Canada by foreign controlled firms is a miniscule percentage of the research and development done in Canada by Canadian controlled firms. We have the lowest level of research and development of all industrialized countries and the Government is permitting more and more foreign control in our key sector industries. That will mean less research and development conducted here in Canada.

Canadian branch plants do not do research and development. The Minister of Industry, Science and Technology said recently that branch plants just do not do R & D.

The export market is another reason why our young people must be concerned about where they will get their jobs, be it the high paying executive positions or the jobs in R & D for which they get training at great expense to taxpayers in Canada. Will those exports be created by a branch plant in Canada which is designed to serve only the Canadian market or will they come from the head office plant that is trying to service the world market? We have the recent example of Lumonics, the third largest manufacturer of laser equipment in the world. That Canadian company was sold to the Japanese company, Sumitomo. It was not even a joint venture for marketing the technology, but a 100 per cent purchase by Sumitomo.

That proposal went to Investment Canada. Yesterday, Investment Canada officials admitted to us that they had done nothing to find Canadian capital to help increase the equity base in that particular corporation. As a matter of fact, Investment Canada is a joke. From 1982 to 1985, when the Foreign Investment Review Agency was in effect, about 3,600 take-overs of Canadian firms by foreign firms were reviewed. In that process, some 700 of those applications were either rejected or withdrawn. FIRA was doing its job of ensuring that if foreign control is coming to Canada it must be for the benefit of Canada.

Let us look at the record of Investment Canada. Since July, 1985, until today, there have been 651 applications to FIRA to take over Canadian firms. The number of applications that have been rejected because of preliminary discussion is a paltry six. Not one of those 651 applications have been turned down. Investment Canada

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officials admitted to us that they had discussions with a number of firms to ensure they will benefit Canada, but how many undertakings are they prepared to take from those firms? They told us with pride that the average number of undertakings per take-over application is down to about two. That is far less than what took place under FIRA.

Only six person-years out of all the employees in Investment Canada are available to enforce the undertakings. Investment Canada likely does not even need that many because it is insisting on so few undertakings when take-overs occur.

Under the Government and Investment Canada, we are open for business and up for sale entirely. The Government is pleased to see us sold out.

Why should Canadians be concerned? I have talked about the jobs, export markets around the world, research and development and head office jobs. The problem is even more insidious. The figures show that in the 10 years from 1978 to 1987, the net foreign investment in Canada was \$1.2 billion. In other words, foreigners taking over Canadian firms invested over \$1.2 billion. However, what did they take out? During this period they took out fully \$73 billion in payments to head offices. Furthermore, the net book value of their investments in Canada increased by \$55 billion. That is who is benefiting from taking over Canada. There was \$73 billion going out to these companies. They brought in \$1.2 billion and their net worth has increased by \$55 billion. So much for what it does to help Canada over the longer term.

• (1600)

In opposing this Bill, Mr. Speaker, we want to put it to you that we have a very different concept of where Canada's economic future lies. We feel that if Canada is going to be strong, the Government has a role to work in partnership with the private sector, to give, in a co-operative effort, to business here in Canada the ability to go into the market-place internationally and compete head on. Every other multinational with which we are competing has much better support from their own public sectors. This means more R and D, more education. It means sitting down with the private sector, with our financial institutions, with labour, with management, with our universities and planning for our economic future.