

Investment Canada Act

It is very important we do that. This motion tries to put down more explicitly that there is a need for a consultation process, that there is a need to recognize that Canada is not one country the same all across the continent and we are different in different parts. We have different needs. That difference should be recognized within the context of that legislation.

The province from which I come happens to have, I believe, a greater need for economic development than that, for example, of the province from which the Minister comes. I am not saying that just because the Minister has a great deal of power in this Bill to decide which come in and which stay out without consulting Parliament or the Cabinet. The Minister is given a great deal of powers. I am not saying that just because he comes from Ontario he would decide in favour of a company that wanted to establish in Ontario if at the same time it happened to hurt a company set up in Newfoundland. He might not do that; let us give him the benefit of the doubt. The problem is this. The problem is that an American firm might want to invest in Ontario, which is already heavily industrialized, and at the expense of some manufacturing company in Newfoundland which is under-industrialized. Our need is to have that secondary processing. That is what we need in Newfoundland. We are a resource-based province. Already many of our national resources are being shipped out in their raw state. What we need to create jobs in our province is secondary manufacturing. That is why we need a policy. We need it to say that when applications come from foreign firms they will be screened on the basis of the impact they will have on the various regions of this country.

We need that built in to any proposal. We used to have that in the PIP grants which the previous Government established and which were in effect until very recently. There were clauses in those grants that stated that before you get money for drilling, you must ensure Canadian content, Canadian jobs, a certain degree or percentage of Canadian products used. All of those things were built into the policy. When companies drilled off the east coast of Newfoundland, off the Hibernia area, those things came into play. Before companies got the funds, they had to agree to Canadian content. The PIP grants have gone. We no longer have them. The policy makes industry wide open to competition from anybody. We used to have a focus on an area that needed protection and we do not have it any more. It is the kind of thing we should have in this legislation and which is lacking.

I want to see something in the legislation that says: "Before the Minister says yes, you can come in from the States, you can come in from Britain or wherever and take over a company or invest in Canada, there must be a consideration of regional needs". There must be consideration of how this will impact on a province that has a weak manufacturing sectors. Is it going to hurt? If so, it should not be allowed. That is why we are asking for an amendment that provides that before approval is given there must be consultation with labour, business and community representatives about the effects of proposals for acquisition and new business establishment by

non-Canadians on regional development, regional employment and economic growth. That is what we want, Mr. Speaker.

The record of foreign investors leaves a great deal of question in my mind. The company with which the Prime Minister (Mr. Mulroney) was associated is a large American investor. What is the track record of that investor in Labrador City? Fifty per cent of the workforce is now gone from that particular community because it was an American company. I believe if a Canadian company had been there instead of an American company, we would have seen quite a different policy following. The same thing applied in the City of Corner Brook. We saw a British firm with an old mill in which it had not bothered to reinvest or to modernize. The mill was at the end of the production chain. It was the weakest link. It was let go and was wiped out. As a result, the Government had to take steps to see that the company was taken over. The track record of foreign companies in my own area in certain circumstances leaves a lot to be desired. I do not think we should simply open the doors wide without building in some safeguards.

The model to which I would like to see the Government pay attention is the Industrial Labour Adjustment Program. ILAP operated under the Liberal Government. The present Government intends to wipe it out. We made great use of ILAP in the circumstances to which I have referred. When the Iron Ore Company of Canada laid off its workers, it did not make a financial settlement with them. Instead, it said to them that their contract indicated that if they were laid off temporarily, the company had a three-year recall right, and that if they were laid off under those provisions of the contract, it did not have to pay them severance pay or relocation allowances at any time during those three years, knowing that the iron ore industry would not revitalize that quickly.

● (1540)

I would like to see some consideration being given to taking that kind of approach with foreign companies when foreign companies take decisions which impact adversely upon Canadian companies. This is why I support Motion No. 9 particularly. Unless we do that, it will have a serious effect in my own area.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to make a few comments about the Bill, in particular about the amendments which we have put forward in the second group. I want to talk about two specific amendments because I think they are very important and that the Bill is weak, if it is intended to do what it says it is intended to do, namely, to encourage investment in Canada by Canadians as well as to encourage investment in Canada by non-Canadians.

There has been a great deal said during the course of this debate and second reading debate about the concerns of our Party that the Bill will simply perpetuate foreign control of our economy. It certainly seems to be an open invitation to bring foreign investment into the country, where previously it was reviewed and there was an attempt to ensure a demonstrable benefit to Canadians.