

in research, engineering, new supplier industries and in a variety of consultant services. As a result, doors previously closed to Canadians have been opened.

The agency has negotiated commitments from investors to carry out research and development in Canada and to exploit the results of such research in Canada. To date such commitments amount to over \$130 million in expenditures in research and development. The concrete benefits of FIRA extend to other important areas, such as exports and the greater use of Canadian suppliers of goods and services. Thus, one of the most long-standing complaints about foreign ownership or control has been the constraints frequently placed on Canadian subsidiaries in their export efforts. FIRA's work has led to applicants establishing export targets. It has led to Canadian subsidiaries being assigned exclusive rights to export either all their products to certain countries or certain products worldwide. Some applicants outside North America have given exclusive rights to Canadian subsidiaries to service the entire North American market. In cases where prospects for exports are too uncertain for investors to make specific commitments, the agency seeks undertakings to protect the Canadian business from restrictions on seeking out and exploiting any export opportunities.

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With respect to domestic sourcing, FIRA often negotiates commitments that a minimum percentage of total requirements on specified materials, components, merchandise and services will be sourced in Canada. In situations where the investment calls for purchases of machinery and equipment, the agency will seek assurances that Canadian manufacturers be given the opportunity to tender. The negotiations have produced clear benefits, including new jobs, the expansion of existing businesses and, in some cases, the fostering of supplier industries in Canada.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not intend to speak for very long, but I was interested in the points made by the two previous speakers, particularly the points in defence of FIRA. On balance, everyone appreciates that the job which FIRA has is difficult. The questions which we most often ask are asked because the information we need in order to make reasonable judgments about the decision-making process of FIRA in a given situation frequently is not forthcoming. This is the primary purpose of this motion today. It is very difficult to make any kind of learned judgment on the appropriateness of the decisions of FIRA, given the nature of the act within which it must operate and the secrecy which must surround its deliberations.

The matter of Redpath which was raised in the motion is only one of such instances that bring very serious questions to mind. I would like to put more examples on the record which, in my mind raise the question of whether the act ought to be broadened in order to permit disclosure. Very few people disagree that disclosure is required. Those who argue against disclosure are not aware that in many other parts of the world disclosure is required as a matter of course, unless it directly

Foreign Investment Review Agency

involves processing and therefore may hurt the company's operation. But in terms of the undertakings made by a company seeking approval for a takeover, disclosure would make for a much tidier, much more acceptable operation.

The following are some examples about which I have been wondering. In 1978, the application of Skyline Steel Corporation to acquire control of Skyline Steel Industries Ltd. received approval. Of many and varied requirements which range all the way from increased employment, new investment, increased processing additional exports, Canadian participation, improved productivity and industrial efficiency, enhanced technological development, improved product variety and innovation, beneficial impact on competition, to compatibility with industrial and economic policies, the company met three. They met the criteria for increased resource processing, beneficial impact on competition and compatibility with industrial and economic policy.

Let me give hon. members a description of the significant benefits the Foreign Investment Review Agency identified in a press release dated July 13, 1978:

A proposal by Skyline Steel Corporation of Port Kearny, New Jersey, U.S.A., which is wholly-owned by Trade ARBED, Inc. of the U.S.A., which in turn is controlled by ARBED, S.A. of Luxembourg, to acquire control of Skyline Steel Industries Ltd., of Burlington, Ontario, which is a subsidiary of Engelhard Minerals and Chemicals Corporation of the U.S.A., which in turn is ultimately controlled by South African interests, and is a business engaged in the distribution principally of steel sheet piling which is not now manufactured in Canada.

Given that this company only met three requirements and that the information above does not lead one to the conclusion that it will manufacture anything of significance, one must ask why it won approval. If I were to ask that question, I would not receive an answer because the law does not permit it. Yet, I believe I have every reason to wonder why that company was given approval under the Foreign Investment Review Agency's mandate. There is reason from time to time to wonder about whether or not there is sufficient disclosure.

Here is another example. In 1978 a firm called Tomorrow's Heritage, Inc. of Beverly Hills—that is a sexy name—out of all those categories met four requirements. This company would increase employment, create new investment, increase resource processing and use of Canadian parts and, of course, like all of them, it is comparable with industrial and economic policy. Here is the description taken from the same press release:

A proposal by Tomorrow's Heritage Inc. of Beverly Hills, California, U.S.A., to establish a new business in Burnaby, British Columbia, to be engaged in the marketing of family photographic portraits.

Pray tell, what is the significant benefit to Canada in that? I would like to be told in the House why FIRA approved that company so that I would know. Of course the minister cannot tell me, because the law does not permit that. Therefore, I must wander around, disgruntled, for the rest of my life because I cannot find out if either of these companies would provide a significant benefit to Canada, what their commitments are and whether they lived up to them.

I have another example for hon. members. I have picked these examples at random and they are spread over a number