

with the consent of a Government which had allowed every foreign takeover of a Canadian company since it took office on September 4 last year. That is the essence of the position of the Minister of Regional Industrial Expansion (Mr. Stevens) in this House.

● (1740)

Mr. Dick: I rise on a point of order. I think the Hon. Member might want to correct the record. He indicated Mitel had difficulty in 1983 with the Superswitch. Perhaps he would like to correct the record that Superswitch is Mitel's trade name. All switches are called Superswitch. It is the SX2000 which Mitel has had difficulty with. The Hon. Member might want to have the record read correctly to show that he knows what he is talking about.

Mr. Orlikow: Mr. Speaker, I will accept that suggestion by the Hon. Member.

The question that we need to ask ourselves in this debate and everywhere else is whether permitting this takeover is the best solution to the problem. Is it the best solution for the more than \$10 million in direct payments for Mitel's research and development expenditure which came from the federal Government? Is it the best solution for the \$35 million in federal grants which were made to this company? Is it the best solution for a company with assets valued at hundreds of millions of dollars, one estimate I have seen is \$668 million? Is it the best solution to lose Canadian control of that company for the relatively insignificant sum of \$300 million? Where are the banks and the trust companies which are so ready to lend huge sums of money, hundreds of millions of dollars to the CP, to Olympia & York, or to Power Corporation to buy other companies which, as I have indicated, do not add a single job to the Canadian workforce?

It is for some of these reasons that we in the New Democratic Party think this is a very bad business deal. It is bad for a Government investing in what it believed was a Canadian company operating in world markets. It is bad for company management which will now have a head office and will put its British concerns first. Why shouldn't it? After all, the same kind of problems of unemployment exist in Great Britain as they do in Canada. Of course, the British Government and the British people will want to put pressure on that British Company to bring more jobs to Great Britain. It is bad for Canadian workers who believe that Mitel's first priority should be to provide jobs in Canada for Canadians. It is bad for Canadians who have seen commitments made with public money which have only been honoured in the breach as Mitel management slid out from agreements to keep the company Canadian.

There is a longer term process at work here. It is one we should find more profoundly disturbing. Mitel now has 14 manufacturing plants throughout the world. Only three of those plants are in Canada. Of the rest, three are in the United States, two are in the United Kingdom and Ireland, and five are in other countries.

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British Telecom as Mitel's buyer has indicated it needs Mitel's manufacturing capacity and it wants to enter the U.S. market. That is the biggest market there is. To supply its captive British market and to do more United States business, the efforts of Mitel will inevitably be drawn to those countries at the expense of Canadian workers. Even if the increased jobs created do not mean a reduction of the workforce in Canada, it means the new jobs will be developed in Great Britain, the United States and in other countries rather than in Canada. As surely as night follows day, the corporate headquarters, the research and development work, the thousands of highly skilled jobs will go to those larger markets and Canadians will once again see that we are the branch plant capital of the world.

To those Members who say that all this is speculation, that there is no evidence of the case I have been making, I would ask them to look at what is happening to one of our largest and most successful corporations, one of the few companies in Canada that has made major investments in research and development. Look at what has happened to Northern Telecom. Here is a company which, in 1977, had a workforce in Canada of 19,000 people and has a workforce in 1985 of 19,000 the same 19,000. In the United States, there is an entirely different story. In 1977, the U.S. workforce employed by Northern Telecom was 4,000 people. By 1982, the U.S. workforce of Northern Telecom had risen from 4,000 to almost 14,000. I do not have the most recent figures. I am certain there has been another substantial increase. This has prompted many observers to ask whether Northern Telecom is a stagnant Canadian company and a growing United States company which will ultimately relocate more of its management, more of its research and development and more of its skilled jobs in the United States rather than in Canada.

The same question is being asked of Bell Canada as it proceeds down its acquisition-happy path, unchallenged by anything in its reorganization as seen in Bill C-19 now before the committee. Members should look at the history of Bell Canada and Bell Enterprises and the many other companies which Bell has created, all based on the profits it made from the monopoly it had providing telephone service to most of the people in Ontario and Quebec.

If the Minister can persist in his naive state that all is well as Canadian companies are bought out or acquire creeping feet where they do their work, he can understand why this Party has the gravest doubt. If the Minister wants to make certain that Mitel, Northern Telecom, Bell Canada, and others remain Canadian, now is the time to insist that that be done through legislation, through agreements with these companies and through insistence that public money invested will not be lost to the whim of the market-place.

There is a wider and more fundamental point to be made. Takeovers do not create jobs. They usually lead to a loss of jobs. Takeovers are followed usually by a so-called rationalization. Our present financial system facilitates those takeovers by the availability of money and the concentration of shares in increasingly fewer hands. If Members want to see what is