

*Investment Canada Act*

Canadians. Members from the Progressive Conservative Party have always tried to blame all economic ills from which Canada has been suffering on this review mechanism of foreign investments. As a matter of fact, an American banker stated recently, and I quote:

[*English*]

FIRA itself was not the bogeyman that kept away foreign investment. You wouldn't want to make too much of it because there were real effects at play.

[*Translation*]

The truth is that there has been a drastic change in investment patterns throughout the world. We have witnessed a global reorganization of both capital and labour. For instance, the production of steel, automobiles, ships, electronics, textiles and ores is increasingly shifting to recently industrialized countries such as South Korea, Brazil and the Philippines where labour costs and tax rates are lower than here, and where the protection of the environment is not the major concern it is here, thus requiring less initial investments. The Southern United States is also a major area of attraction, because its labour force is for the most part non unionized. This, in addition to the 1982 recession and the technological revolution we are still going through are some of the reasons for our economic distress. That is the truth, as emphasized by a number of American bankers who stated, and I quote:

[*English*]

The problem is simple: foreign capitalists can make more money elsewhere, no matter what action Mr. Mulroney's Government takes.

[*Translation*]

Under these circumstances, why is the Prime Minister (Mr. Mulroney) going to the United States to sell out to the Americans what we still own? That is what he is doing.

I should like to emphasize some of the possible consequences of Investment Canada on the Atlantic provinces where I hail from. In this area, the major sources of income are the fisheries, forestries, as well as the development of natural resources and the operation of small- and medium-sized businesses.

This new federal legislation could have a devastating impact on the regional economy. For instance, take the fishing industry in New Brunswick where nearly all processing plants belong to Canadians who face unrelenting competition from New England plants. If this Bill is adopted, our fishing industry would become vulnerable overnight. Foreign interests would have a free hand to buy those plants, particularly independent processors, so as to eliminate competitors for the primary products of fishermen. The only Government control left will be fishing licences, and there would be none whatsoever on the plants. How much will our fishing licences be worth if we no longer have plants to buy our fish, or if they are owned by foreigners whose commanding interest will be to keep the price of our fish as low as possible? All communities along the Gulf of St. Lawrence and in the Atlantic region which do not depend on major fishing companies and where

there are no longer any of those small independent businesses would be facing a slump practically never experienced before. That could happen because foreigners have been trying to set up shop on the east coast since the 200-mile zone was established. Until today, we had the mechanism and the political will to thwart their projects if they did not serve our interests. It is quite clear that the Government opposite does not have the political will to protect our regions against free capital markets and it wants to take apart the mechanism that protects us.

Regions where unemployment is highest would lose even more jobs. The irony of it is that the same Government is about to undertake an across-the-board review of unemployment insurance eligibility standards—to tighten them up, undoubtedly. I will not go into that debate now, this is not the appropriate time, but I am sure I will have opportunities to do so later.

If we are justified to claim that Investment Canada can be the death warrant of Canada's fishing industry, the same thing probably goes for the very competitive forest industry whose main markets are foreign; foreign multinationals could easily afford to buy our smaller plants and close them with a view to grabbing our raw primary products and gaining control over our traditional markets. One can imagine the disastrous social consequences of a loss of thousands of jobs in the Atlantic Provinces.

Another industry which might stand to be harmed by Investment Canada is undoubtedly the peat industry, again because it has to rely on international markets. Peat companies in New Brunswick's Kent, Northumberland and Gloucester Townships could easily be bought by foreigners—no questions asked—who would control the whole operation and fill peat orders through companies others than ours.

Practically all the fishing, forest and peat plants as well as the small and medium-size businesses I mentioned are worth less than the \$5 million limit set by the Government, which means that they will not be subject to review when prospective foreign buyers come knocking at the door.

I am definitely against this new \$5 million limit set by the Government, for I think it is too high. I am also against the idea of amending the existing Act to exempt indirect purchases under \$50 million. Nor can I agree at all with the suggestion that only one Minister will have the authority to approve or reject investments. Such decisions must be made by the Cabinet where Ministers from different regions can have their say and make sure that the interests of the various provinces are protected.

I am very ill at ease, as a New Brunswicker, to have to rely on the goodwill of a Minister such as the one we now have to protect our interests in New Brunswick. I do not see how we could have so much confidence in a Minister as to let him alone decide on foreign investment all across Canada, when it is already difficult to trust this Progressive Conservative Gov-