

*Investment Canada Act*

appropriate season to be considering the kind of Bill that is before us. If anything reflects the kind of Christmas spirit and hope that Santa Claus will be good to us again, it is surely the thinking that is reflected by the Investment Canada Bill. Here we have this conviction that if Canadians are good and the Government throws open its doors, then all sorts of good things can come to us.

When one listens to the Prime Minister (Mr. Mulroney) responding to questions about this subject, one has an overwhelming sense of the extent to which our goodness in the way of throwing open the doors is absolutely essential for good things like gifts and make our Christmas Eve to come to the Canadian people. Surely there should be a more careful analysis of the whole matter to determine if that is likely to be the result.

Colleagues of mine have earlier indicated the questions we must ask ourselves. There are very serious questions to ask ourselves in deciding whether it is in fact sensible to think that, like Christmas, foreign investment is going to bring us all kinds of gifts and make our economy a stronger one. The kind of fuzzy thinking which has gone into this proposal is reflected in the statement of the Minister on Friday last. We were told that Canada's interests will be advanced by encouraging Canadian and non-Canadian investment, not by discouraging it. That, I dare say, is true as a whole statement, but to put "Canadian investment" and "non-Canadian investment" together in that way reflects the fuzzy thinking indulged in by the Conservative Government over these last weeks.

● (1650)

As I said a few days ago with respect to the borrowing authority Bill, what the Government has served up in talking about the deficit is a great deal of descriptive material, but I could find no real reason for us to believe that it understands why the deficit has reached the point it has and whether it really has a program to deal with it. In a similar way, in the few weeks before Christmas, we debate a Bill which is designed to have Santa Claus visit Canada one more year.

I said at the outset that the question which faces us here is one of the development of the Canadian nation. I believe it is worth looking back over the last couple of decades—and even farther back than that—to recognize how concern among Canadians has developed with respect to foreign investment and its impact on Canada. Many people believe—and I expect that is true of my Conservative friends—that that was a Liberal preoccupation back in the days when a royal commission headed by Walter Gordon investigated Canada's economic prospects. Of course, it was the Liberals later on in the 1960s and 1970s who took this up. It is perhaps in a partisan way that the Government has chosen to react to it. I spent some time looking at the concerns of the Conservative Opposition around 1956, the Conservative Opposition which had the opportunity soon afterwards to form the government. When I considered, in particular, the national development program which the Conservative Opposition put before the St. Laurent government at the time, I was astonished to discover the extent to which the Conservatives were at the time concerned about

national development, about the impact of foreign investment on that development, and about the need to plan in order to ensure that development took place. I find myself wondering where the Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) is these days in the midst of all of these things. I am sure he remembers all too well the effort he put into developing programs and plans for national development back in those days, which were oriented to what Canadians could do, not what foreigners could bring to this country.

I must say that as early as 1956 to 1957, I was surprised at first, then pleased in a sense, to see that a predecessor in my riding years ago, a man of singular power in the Canadian economy, the Right Hon. C. D. Howe, was also concerned about good corporate citizenship. That is a theme which, of course, became the key word of the 1960s, as at the end of the Diefenbaker Government the Liberals attempted to come to grips with the question of what foreign investment in Canada represented, how it operated and what sort of controls—although at that point they were hardly thinking of controls—or influence or persuasion should be brought to bear.

I believe what the Government now needs to realize is that through the 1960s and into the following decade, as Canadians were faced with the realities as they applied to Canada, they saw the evidence of overwhelming foreign ownership in manufacturing and resource industries. As Canadians worried about what the consequences would be in terms of lack of control of their own economy, a consensus built up in this country that something should be done about it. I say, to the shame of my colleagues to my right, who are much depleted now from the numbers they had in those days, that the Liberal Governments acted very slowly in recognizing that national concern. A number of studies occurred, a parliamentary committee was set up, and there were other studies outside as well. Eventually a cabinet committee considered the matter. However, it was not until the minority Government of 1972 to 1974 that action was finally taken to establish the Foreign Investment Review Agency. It was recognized that harmful consequences could follow from foreign investment and it became obvious that some sort of screening mechanism was absolutely essential. Some of that concern is, of course, recognized in the Investment Canada Bill which is before us. There will be screening for larger takeovers. But there is the possibility of takeovers of smaller companies and the open door policy for new investments. These activities will not be under any control. We will clearly lose the potential screening and negotiating possibility which the Foreign Investment Review Agency offered us.

In the midst of slower business activity in this country, and in the midst of a recession, which we all hope will not slide into something worse in the next few months, the Government may feel that this is the appropriate action. But I believe that the Canadian people have a real concern about how the economy of this country might be developed. They have a real concern about the loss of control which will come. This Government may find itself bucking the tide of public opinion rather than riding it.