

Investment Canada Act

Mr. Garneau: Less than a minute! The last amendment I wanted to discuss concerns the possibility of giving the agency the authority to seek out actively Canadian buyers across the country. I think this is a suggestion that could appropriately be included in the legislation, because if an offer is made for a company . . . We know that often, businessmen whose children are not interested in taking over the business and who want to dispose of their investment when they reach retirement age, often have to and would like to sell, and if the agency were empowered to help the owner of a company to sell to Canadians rather than to non-Canadians, I think it would be an important adjunct to the legislation. I hope that this House and especially Members on the Government side will at least want to consider these very serious proposals.

• (1150)

[English]

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to say a few words on the Investment Canada Bill. It is a very fundamental piece of legislation. It really separates the Government's view as to how we should proceed in terms of investment from the United States and from other countries from the view of the Official Opposition.

Motion No. 4 proposes that the Minister be responsible for the administration of the Act and the management and direction of the agency established by Section 6. Our position is that the public servants who will be working in Investment Canada should receive their policy direction from the Minister and from Cabinet. Of course, under this Bill the Minister will have the power to approve applications which exceed the limit of \$5 million. Fundamentally we disagree with that, in that there will be hundreds of applications under that limit. This could have an adverse effect upon small companies. A foreign investor could come into the country, buy out a small company and shut down the manufacturing part of the plant. Hopefully the company would at least retain the Canadian sales force, but in some cases such companies may lay off the sales force and run the entire operation from the United States. We think that Canadians will lose control if the limit is raised to \$5 million.

At one time the City of Sault Ste. Marie had three independent dairies. Now it is controlled by Beatrice Foods, a large multinational company. That is happening all over the country. It is not that all foreign investment is bad. It certainly is not, and we want to encourage it. Large companies from the United States could come in here, not necessarily with adverse or negative thoughts about Canadian employment. In many cases that does not even occur to them. Companies are in business to make a profit. No one would deny them that. To some extent FIRA was a bargaining tool; so long as a company did not indicate that it would shut down its manufacturing operations in Canada, move all its research and development to the United States and not give Canada a portion of international markets, its application would probably be approved. Sometimes, if the companies were dishonest enough, these things occurred.

When responsible companies appear before a government agency for approval or review, it should be pointed out to them that we are a country with 1.5 million unemployed, that we would like to see their manufacturing plants here, that we would like to see them try to shoot for a share of the international market, that we would like to see them committed to the long-term expansion and development of manufacturing facilities and plants, and that we would like to see a good portion of the research and development being carried out in Canada. In that event most companies would say that it is not unreasonable for Canadians to make those requests, in that we have higher unemployment than has the United States and we have smaller markets and want to see a portion of them retained.

The Minister has shown that his concern is just how many bucks are involved, regardless of from where they come or what the long-term future will be. I do not think we could give all that power to a worse Minister. He will sit in his ivory tower on the thirty-third floor of Place de Ville and make unilateral decisions. Cabinet Ministers from P.E.I., British Columbia and Quebec, just to name a few, will not have a say because the Minister will unilaterally make decisions.

Last week I heard an interview on the CBC concerning large companies and reverse take-overs which will take place when there is no FIRA to review them. The Minister being able to make unilateral decisions—and if an application is below the \$5 million limit, there will be no review at all—is not good for the country.

The Tories are rather embarrassed about the tremendous increase in Canadian ownership of the petroleum industry during the first three or four years of the National Energy Program. Canadian ownership has increased dramatically, from some 28 per cent to around 40 per cent. If this Bill ultimately passes, everything is abandoned and the percentage of Canadian ownership starts to slide, it will be interesting to see just how proud the Tories will be of that loss of Canadian ownership for which we fought very hard during the 1970s. Instead of dividends being distributed to Canadian owners, they will be sent across the border to the United States. The ultimate disadvantage will be to Canadians generally.

• (1200)

It is rather interesting that in the whole scenario of Canadian ownership the Tories said that if we tried to have more Canadian ownership, oil and gas exploration would be drastically reduced.

Mrs. Mailly: That's false.

Mr. Foster: The Tories spend hours opposing that. If we look at our energy-petroleum situation in this country today, we see that we have about a 33 year horizon of reserves and shut-in natural gas. So much natural gas has been discovered that it is not profitable at this stage to explore for more. If we look at oil reserves, we can see that the projections of the Department of Energy, Mines and Resources show energy self-sufficiency on a net basis for oil through to the end of the