

Industry, Science and Technology

The Minister did not address the issue of foreign ownership. Presently, there is a \$25 million threshold under Investment Canada. There were 606 applications made to Investment Canada over the period July, 1985, to December, 1988. All of those applications for the change of control of a Canadian company were approved by Investment Canada. We do not believe that opening up Canada for take-overs by foreign firms will be in the long term economic interests of Canadians.

We have seen their record of performance. Foreign firms do not export as much as Canadian firms. Their level of research and development is abysmal. We cannot work with them in the same way to ensure that their loyalties are primarily to Canada rather than to their foreign parent corporation or to the host country of their foreign parent corporation.

According to the Free Trade Agreement, rather than the \$25 million threshold, there is a \$150 million threshold so that any take-over of a company with anything under \$150 million assets will not be subject to review.

When an American firm takes over a Canadian firm, as is happening at an accelerated rate, we can no longer impose conditions to ensure that it has a world product mandate here in Canada. We can no longer ensure that Canadian supplies are used in the production of goods in Canada. We have given up the right to give duty draw-backs to encourage manufacturing by foreign firms in Canada.

Once those firms are here they are given national treatment and are treated just the same as Canadian firms, which means no conditions can be imposed upon them to ensure they do not sell out the Canadian operation to other foreigners.

Even in the United States today there is a growing awareness that corporations should have some degree of local control. The Florio amendment in the United States led to the review of all high technology take-overs in the United States. The U.S. Committee on Foreign Investment has wide discretionary powers and has become actively involved in screening foreign take-overs. This is what has happened in the Fujitsu bid to take over Fairchild, in the key semi-conductor area in the United States. If the United States considers semi-conductors to

be critical to its economic future, why does this Government not consider biosciences and the medicines produced by Connaught or the laser technology by Lumonics to be critical to our economic future here in Canada?

The Minister talked at great length about the need for science and technology. He is not alone in talking about this topic. On March 4, 1987, the Prime Minister at the University of Waterloo, said: "For some years I have been speaking and writing about the urgent and pressing necessity of increasing our national commitment to our R and D." He said as well that that was why his Government put science and technology at the top of the national agenda. He has been controlling that national agenda since 1984.

• (1220)

What has happened to R and D? In 1984, the Prime Minister promised us that he would double it by 1988. It was then at about 1.4 per cent of Gross Domestic Product. It is now at about 1.35 per cent of Gross Domestic Product. It has gone down in spite of these pious declarations.

The Prime Minister might try to tell us that this is the fault of the private sector. What has happened? The Government commitment and share of the total spending on R and D has gone down from 37 per cent in 1984 to about 30 per cent in 1988. So much for the Government's pious commitments to more R and D.

Again, we have grievous concerns about the extent of research and development that will be done by foreign firms in Canada. When you look across the spectrum, Mr. Speaker, as I am sure you have done many times, you will see that in almost every industry in Canada, the level of research and development that is undertaken by foreign controlled firms fall well short of that which is undertaken by Canadian controlled firms. In mining, it is less than half; in wood-based products, it is about two thirds; in metals it is about 80 per cent; in machinery and transportation, it is about 20 per cent. For equipment that is electrical or electronic, the percentage of sales that goes into R and D by Canadian controlled firms is close to 15 per cent. For foreign controlled firms, it is less than 3 per cent. I could go on and on.