

eign economic domination has not yet begun in this country.

[Translation]

**Mr. Gérard Laprise (Abitibi):** Mr. Speaker, in his statement the Minister of Industry, Trade and Commerce (Mr. Gillespie) mentioned that he was pleased with the good feeling and understanding which existed during his consultations with the provincial governments. We were thus spared the disgraceful scenes which occurred during the last weeks between the federal Minister of Communications and his provincial counterparts, especially the Quebec minister. However, I think that the interests were not the same. In the communication field, domestic interests are involved while the interests which concern the Minister of Industry, Trade and Commerce in foreign investments are especially foreign interests of multinational companies which are much greater. It is then easier to agree on such matters.

In any event, Mr. Speaker, I was struck by points in the minister's statement, particularly when he assures foreign investors that their applications for regional development grants would be considered and processed rapidly. The minister wants to assure hon. members that there will be no undue delay in the investment program necessary to the development of designated areas in Canada because of red tape duplication.

We know how slow the department or officials of the Department of regional Economic Expansion are in considering or accepting applications for grants from Canadian companies or businesses. I remember a case when a contractor or businessman applied for a \$40,000 grant. It is not all that much. All possible complications were made to delay the awarding of the grant probably to discourage that businessman. We are a lot nicer to foreign investors than we are to Canadians who want to create new jobs and offer people the consumer goods they are asking for.

We know how things go generally regional development grants awarded to foreign companies who come to invest in this country amount to about 35 per cent. And those foreign investors get another 55 per cent from the local market so they have to come up with only 10 per cent of their own money in Canadian investments. That prompts us to say that somehow they are being paid to put us out. We know that about 80 per cent at least of our industries, and particularly those which are most important and profitable, are in the hands of foreigners.

Mr. Speaker, rather than say we are happy to promote foreign investments in Canada we should strive instead to encourage Canadians to own our own industries and businesses so we will know better what Canadian consumers want. I think one is best served by himself. That is what I wanted to say, Mr. Speaker.

● (1230)

[English]

**Mr. Speaker:** Order, please. The statement itself was of some length, as were the replies. I would think that four questioners ought to suffice, in light of those circumstances. I propose to see the hon. Leader of the Opposition (Mr. Stanfield), the hon. member for Don Valley (Mr.

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Gillies) and two other questioners and perhaps conclude the matter in that way.

**Mr. Stanfield:** Mr. Speaker, when the minister referred to consultations with the provinces, he referred to acceptance. Is that confined to acceptance in terms of the machinery being established? Could he tell us how many provincial governments have objected in whole or in part to part II at the present time?

**Mr. Gillespie:** Mr. Speaker, the answer cannot be given in precise terms because the position of the provinces varies. They are not easily classified into categories. I can say, for example, that a number of provinces, particularly the Atlantic provinces, do not agree with the Foreign Investment Review Act in principle at all, phase I or phase II. That is quite clearly their position. Other provinces accept it, and the need for the second phase. I know of one province out west that was particularly concerned about the timing of phase II and tied its concern to working out the necessary consultative arrangements. We were able to satisfy them on that. In general, I can say that there are a number of different views in the provinces with respect to phase II.

**Mr. Stanfield:** Mr. Speaker, perhaps the minister could tell me briefly what provinces objected to part II altogether? What provinces, in addition to the Atlantic provinces, objected to part II completely?

**Mr. Gillespie:** Mr. Speaker, I do not recall any other province saying that they felt we should never proceed with phase II. There were concerns on the part of other provinces about the timing of phase II.

**Mr. Stanfield:** How many provinces?

**Mr. Gillespie:** I cannot give the precise number. I have indicated that one province tied its conditions to the question of working out the consultative arrangements.

**Mr. Gillies:** Mr. Speaker, would the minister tell the House whether he has any impression that the proclamation will have any serious positive or negative effect on the Canadian balance of payments situation?

**Mr. Gillespie:** Mr. Speaker, I do not think it will have any significant effect on the balance of payments question. Let me put it in this context: we are faced with a deficit in our current account this year of probably between \$4 billion and \$5 billion; perhaps closer to \$5 billion. Foreign investors do not invest in Canada, or anywhere else, because we are running a deficit in our balance of payments account; they invest because they see industrial opportunities. That will be the basis in the future, as it has been in the past. When foreign investments are made, they will not be motivated, in other words, by a desire to help Canada finance any deficit in its current account.

The second point that I should like to make is that all deficits in the past that I am aware of have relied far more heavily, in terms of the financing of the current account deficit, on portfolio investments, that is to say, debt, borrowings of municipalities and provinces, institutions and corporations in foreign markets. I would expect that