

Foreign Investment Review

That bill was stalled in the House and our party was able to kill it.

The bill itself was a big zero and an absolute farce. If it had passed, I suggest it would have had the effect of creating an economic eunuch in a bordello of foreign-based, multinational corporations. In other words, it would have been absolutely useless and would have done very little to reverse or even hold back the trend toward foreign domination of our economy. The members of this party are proud to have killed that bill and forced the government to come to us with the improved legislation we are debating today.

The bill now before us is one result of the October 30 election which returned a minority government to parliament. The government could not ignore the wishes of the people, as it did last year. Therefore, it expanded the bill to take in not only takeovers but also the screening of new investment in Canada and, in addition, the screening of the expansion of existing firms in new or unrelated areas. I suggest this goes a considerable distance from the bill that was previously debated.

• (2010)

I have mixed feelings about the bill. I am not perfectly happy with it. I do not suggest it will solve all our problems. Much of the effect of the bill will be determined by whether it will be administered by people who are really determined to do something about Canadian ownership or whether it will be administered by the people like those who administer the CDC, which has become a farce and nothing but another investment or mutual fund. So much of the impact of this legislation will depend upon how it is administered and who it is administered by, because many of the decisions these people will make will be very subjective. They will have a tremendous amount of discretionary power.

If the bill is well administered, it could go a considerable distance toward regulating, in the future, the incidence of foreign ownership in our community. For that reason I suggest this House should deal with the bill on second reading and refer it to the committee, at which point we will try to move several amendments. As the minister himself has said, this is only one step in the area of foreign ownership of our economy. The bill is not retroactive; it will not buy back the Canadian economy that is now in foreign hands. It does not really establish priorities concerning which industry or sector is important. It cannot set provincial priorities. It can only be part of an industrial economic strategy for Canada. That is the context in which we must treat the bill which is before us.

As I said a minute ago, our party feels this bill will go part of the way and that we should move several amendments. I think there are five or six which are very important and which I should like the minister to think about seriously. I would also hope members of the House would think about them seriously. The bill covers three areas: takeovers, new investments and expansion of existing firms into unrelated or new areas.

I suggest, as many others have already suggested in newspapers such as the *Toronto Star*, that this House should look at a fourth area very seriously, that is, the expansion of existing firms in the same area of produc-

[Mr. Nystrom.]

tion. I realize, after listening to the hon. member for Windsor-Walkerville (Mr. MacGuigan), that we would have to word an amendment in such a way that we would not be interfering with a small firm wishing to expand its plant a little and add 10 or 15 jobs. I believe we could come to a consensus on that so that a large firm, for example, which is doubling in size could be screened. This is a large part of foreign ownership activity in our economy, and if we do not add this sector to the bill we will be missing a considerable degree of economic expansion in our country by foreign concerns. Again, we can elaborate on that question at the committee stage and move amendments.

The second area which I believe must be broadened considerably involves the factors to be screened or taken into consideration by the screening agency as outlined in the bill. Again, the hon. member for Windsor-Walkerville said that many of these factors are covered in the first part of the bill, but I suggest, with great respect, that they are vague. I think some of these factors should be stipulated in the bill. I think there should be a clause in respect of screening imported parts and components to see whether alternative sources exist in Canada and, if not, whether they could be developed here. I think this is one area in which the Canadian economy has not been as active as it could be. Again, parts and components are labour-intensive and I believe this should be a natural part of the screening mechanism as outlined in the bill.

The second addition in respect of factors to be screened, I suggest, would be the export of raw materials from our country, to determine whether some of the processing, developing, packaging and manufacturing could take place prior to export. This would seem to be a very important point to stress. This country is an exporter of raw materials and unfinished products, and an importer of finished goods and manufactured products. I remember very well the former member for Duvernay, Mr. Kierans, speaking in this House about a year ago on this very point of placing more emphasis on manufacturing and processing. At that time he said that for every \$100 invested in resource development or the extraction industries, we provided only about \$6.50 worth of wages; but that for every dollar invested in manufacturing we could provide about \$30 or \$35 worth of wages.

When we have such a heavy emphasis on the resource industry in this country, what we are doing is exporting jobs. If we export \$100 worth of raw materials to the United States, we in turn import \$100 worth of manufactured goods and probably export \$25 or \$30 worth of wages in the process. I suggest the minister consider this as the second area which should be added to the factors taken into consideration by the screening agency.

The third factor which should be taken into consideration would involve the screening of any export restrictions which may exist by agreement or, indeed, export restrictions which may exist in practice which prevent the expansion of export markets for this country. There are many export agreements which could be looked at which are established by the government through tariffs, and so on. Even more important, however, is the practice of multinational corporations which develop a product in one country and another in Canada.