

Investment Canada Act

I am talking about a strategy which would encourage equity investment and stop the outflow of equity capital. That is the problem in Canada. In 1980, the Liberals told Canadians they would buy back Canada, that foreign investors were no longer welcome. That was the message of P.E.T. But the Liberals did not really buy back Canada. They borrowed it back. That is what they did. They absolutely and totally borrowed it back, replacing foreign equity with foreign debt. The Progressive Conservative Party wants to reverse that trend. We want to encourage an inflow of investment capital, because equity inflows mean less reliance upon debt. They mean lower interest rates, a lower deficit, lower inflation, higher economic growth and, given the one medium we need, but, most important they mean jobs. That is the critical need. We need to strengthen the capital base of Canadian companies, particularly our small businesses. Too many Canadian businesses have too much debt and too little equity. That is our problem.

The message was clear. Bill C-15 will fulfil the promises we made to Canadians. As I said before, on September 4 they voted overwhelmingly in favour of our policies and new directions for the country. If the members of the Opposition believe for one minute that Canadians do not want to welcome foreign investment capital into the country, let them look at the government Members surrounding them on that side of the House. The message is clear. Canadians have rejected FIRA, totally rejected it. Canadians have rejected the socialist policies which have brought about the worst economic crisis the country has experienced probably since Confederation.

There are 1.5 million of what our friends across the way like to call ordinary Canadians. We on this side are ordinary Canadians too. We think more of them than they do, with all their rhetoric. These ordinary Canadians must surely wonder why the NDP, which claims to have a monopoly on the concerns of ordinary Canadians, is speaking out so loudly against this positive piece of job-creating legislation. Perhaps we have a chance of getting rid of those albatrosses — de Havilland, or Canadair. Why do they demand a continuation of the policies which have done so much to damage Canada? Billions of dollars have been spent to prop inefficient operations. They cannot have it both ways. They have to make up their minds. Either they are for change, which means jobs for Canadians, or they are against it. I think the ordinary Canadians which we represent know where both opposition Parties stand. It is fairly obvious if one looks across the way.

What are the changes we can expect to see with the passage of Bill C-15? First, all new businesses are exempt from the review process. Second, all direct acquisitions of Canadian businesses under \$5 million are exempt from review, except those pertaining to culture. I believe that makes sense. It refers to those in the print media, et cetera. Third, all indirect acquisitions under \$50 million are exempt from review.

The effect of these changes will be significant, especially in light of the activities of FIRA in 1983. For example, none of the 442 new businesses reviewed in 1983 under FIRA would be reviewed under Investment Canada, 80 per cent of the 283 direct acquisitions would not be reviewed by Investment

Canada, and 93 per cent of the indirect acquisitions would not be reviewed by Investment Canada.

Investment Canada has also been given a specific mandate to encourage investment for growth and jobs, to provide information services and to advise businesses and investors on opportunities and contracts. This matter was raised in the House today. We were asked why we would do away with that. That will not be the case whatsoever. The Prime Minister mentioned that there would be more Bills coming in, delving further and further into the problems of foreign investment. In short, it sends out a message that Canada wishes to become a better place for foreign investors to do business. It is as simple as that. In turn, this will give domestic investors increased confidence in the Canadian business environment.

Unlike FIRA, Bill C-15 reflects a new attitude. That is what we as Canadians must have. We require a complete attitudinal change. It recognizes the positive contribution foreign investment can make. Some 90 per cent of foreign investors will no longer have to wait for government approval before proceeding with their investments. We are placing realistic time limits on the length of the review process. We are not dragging our feet.

FIRA proceeded from the assumption that all foreign investment was bad. That was the Trudeau philosophy. Investors had to prove that they could benefit Canada, and the word "benefit" was defined by a bureaucrat. Investment Canada proceeds from the assumption that foreign investment is good for the country. Mr. Speaker, I ask you to think about the word "FIRA". Every foreign investor was afraid. The very word struck fear in the hearts of foreign investors. It was negative, the way everything was for so many years. Now we have something which is positive—Investment Canada, the place to put your money. It is a place of trust, a place of growth, a place where new jobs will be created. That is the difference between us and them.

Opponents of this legislation like to point out the high approval rate of proposals made to FIRA, but they missed the point. As Richard Smith of the American Embassy said in a letter to *The Globe and Mail* on September 8, 1982:

FIRA's approval rate, reportedly close to 90 per cent—

In reality it is 92 per cent. He continued:

—is not the relevant measure; it takes no account of applications withdrawn or not made as a result of FIRA's onerous procedures and requirements. Investment once established in a foreign country is highly vulnerable to the policies of that country, and it tends not to go where it perceives it is suspect. There is a sense in which FIRA can be viewed as a solution without a problem.

However, there is a problem. There is no way of knowing how many potential investors simply looked at government interference—particularly Americans to whom the words government interference are anathema—and then quickly looked elsewhere. There is no real way of knowing how many we lost, no way of knowing those potential investors were chased away by that one scary word, FIRA.

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The Wall Street Journal expressed similar sentiments in the September 14, 1982, issue, and I quote: