

with the real problems of foreign investment and the dramatic effect that this is having on our economy. As I said at the beginning of my speech, we are a unique economy caught between the reality of an industrialized world which is highly competitive and another reality, namely that our economic destiny now lies beyond these frontiers.

I am frequently asked by people living in my constituency why can I not do something about interest rates, jobs, the future of our country and the training of our young people. More and more we are made aware of the fact that the reason this government cannot act is that it is paralysed not only by its adherence to its set of ideas, which were out of date even in the nineteenth century as they were being created, but by its economic impotence in relation to those powerful outside interests. I think we have to confess as members of Parliament that we do not have control over these critical decisions either. Neither do Canadians working in the so-called free market place.

If there is someone over on the other side who is taking responsibility for this motion as it is carried through the House, I would appreciate an answer to these very specific questions. If there is not, I think we are entitled to know on a Friday afternoon that there is no one in the House in a position to speak for the government who is sufficiently interested enough to stay behind.

● (1500)

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, I intend to be very brief, very brief indeed. This will probably be the shortest speech I shall ever give in the House of Commons. The reason why it will be short is that I believe we should approach this review with the greatest possible objectivity, as the minister suggested.

My colleague from Ottawa Centre should not take this remark as a difference between his point of view and mine. The difference between the two of us at this moment is that my hon. friend from Ottawa Centre was not there yesterday in the committee, and he had no particular reason to be, when the Minister of Industry, Trade and Commerce (Mr. de Cotret) made in my view, a very important statement on the subject of FIRA. As the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Ottawa Centre (Mr. Evans) have suggested and demonstrated, the government party has, on a number of occasions in the past, recent and remote, said, or appeared to be saying—nobody can ever be too sure—that they intended to eliminate, downgrade, reduce or whatever, the importance of FIRA or its very existence. I was worried about that as well. I was the minister who introduced the first FIRA bill back in 1972 following the Gray report. Consequently I believe in the principle of screening very, very strongly.

As I was saying, some of us were worried. I cannot quote the minister because what I have in hand is not the official record, but he specifically said to the committee yesterday that he had no intention of eliminating or downgrading the importance of FIRA. That having been said, I suggest that we are now in a

Foreign Investment Review Act

position to be more relaxed, to begin a *de novo* exercise. The hon. member for Broadview-Greenwood does not appear to agree with me. I will not disagree totally with him. I think we should be cautious, even suspicious, but the exercise should be marked by a visible and real effort at objectivity. Personally, I will be very keen to study the agency, its strong and weak points, its record of accomplishments, and the ways and means to improve it.

I intended to say and I can demonstrate it by the first draft of the notes I was going to use, that I was concerned also with the point raised by the hon. member for Broadview-Greenwood. Why? Simply because, as he said, a screening of foreign investments is but one of the many instruments a government has in hand to channel, limit, orient, influence, restrain foreign investments in a country. It is only one of many instruments. There are many others, some pretty dramatic, some less dramatic.

The key sector for example, where foreign investment is either not allowed or is restricted to a percentage of ownership, is one approach which has been used in the past in Canada on a good number of occasions. There are others, for example, where the government uses incentives in order to channel foreign investments toward a certain sector of industry or services, a method particularly useful in the development of an industrial strategy. One aspect of it is known as "the world mandate system". Here a government says it will allow a foreign investor in, might even support him with incentives, but he will have to produce in Canada a product that he will not produce elsewhere, and he will produce it in Canada for world markets. It says to the foreign investor: You will use your multinational position in order to enhance Canadian exports. That has been done a number of times in the past in Canada.

In the electronics industry, for example, the grants the Department of Industry, Trade and Commerce gave to IBM and Control Data in the early seventies, and the sort of thing the Minister of Industry, Trade and Commerce talked about yesterday in the committee on finance and trade when dealing with a question on the kind of support being discussed with Chrysler Corporation of Canada, are that sort of approach. There are many others. The creation of Crown corporations is another approach to make foreign investment not necessary in a number of instances. Our friends on the other side tend to forget that in the rather theological approach they have to privatization. I am also concerned about that.

A question I share with the hon. member for Broadview-Greenwood is: to what extent will the committee be given the capacity, the right and the possibility of looking at foreign investment from a slightly wider point of view than the operations or workings of FIRA. That is a question for the Minister of State for International Trade (Mr. Wilson)—and we must assume he has good reason for not being here this afternoon—to answer before the committee is struck in the House of Commons or when it holds its first meeting.

That is all I have to say today, Mr. Speaker. I expect the committee will come out in the usual balanced way in which