

# HOUSE OF COMMONS

Tuesday, January 29, 1985

The House met at 11 a.m.

● (1105)

## GOVERNMENT ORDERS

[English]

### INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Monday, January 28, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development; and on the motion of Mrs. Tardif (Charlesbourg) (p. 1708).

**Mr. Speaker:** Is the House ready for the question?

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I am rising to oppose the motion that was moved yesterday by the Government. The motion in question is intended to choke off debate at a most inappropriate time. Certainly when we are dealing with a measure of the importance claimed for the Bill to create Investment Canada, by the Government, I would submit that the measure would require the widest and deepest possible consideration, not only in committee but in the formal stages of debate here in the House.

Instead of allowing this debate to continue, instead of allowing Members of the House to have the fullest opportunity to express their views and concerns during the second reading stage, the Government has moved an amendment to have the previous question put, thereby shutting off the opportunity that would otherwise exist for Members of the House to offer reasoned amendments and to bring about a vote on second reading. I submit that this is most inappropriate and most untimely. This motion deserves to be rejected by the House.

Aside from the reason I have already stated, that the motion is designed to choke off debate on second reading before Members of the House feel they have had adequate time to express their views at this stage, another reason to oppose this motion is that the Bill itself has not been shown to be one worthy of the support of the House. The debate that has gone on over the past several weeks, rather than strengthening the case made for the Bill by the Government, has, in my view, done just the opposite.

In proposing to Parliament the Bill to create Investment Canada, the Government has given as a reason for it the notion that the creation of Investment Canada would in itself

cause a massive flow into Canada of the kind of investment needed to create jobs and bring about economic growth. However, it is most interesting to note that after the Bill was presented to the House for second reading, a number of articles appeared in the press examining this very question. The articles all came to the conclusion that the Bill itself would not really do anything to bring to Canada the kind of investment we continue to need in order to create jobs and generally improve the economy.

The articles in question pointed out, as I did in an earlier speech in the House, that what brings investment to a country or community is the view of the potential investor that there are profits to be made and that there are markets to be filled. In other words, investment is brought to a community when there are demands for the products or services intended to be created by the investment, demands sufficient that these products or services can be sold at a profit. The Investment Canada Bill does nothing whatsoever to improve the prospects for investors of making a profit through investing in Canada, whether they are foreign or Canadian investors. This Bill does nothing to improve the conditions in the Canadian economy which would lead investors to believe that they have a reasonable chance to make a profit beyond the situation existing at present.

● (1110)

Let me outline some of these factors and try to relate them to the Bill. One of the factors is the extent of capacity utilization in the Canadian economy, that is to say, the extent to which there are factories which are not being used fully to produce goods and the extent to which there are facilities which are not being used fully to produce and distribute services in the Canadian economy. The facts are clear. There is a very high rate of unused industrial capacity in the country, and this Bill does nothing whatsoever to bring about the increased usage of the unused industrial capacity.

Another factor is the rate of profit which is already being earned, or expected to be earned, by business in Canada. There are many in the business community who feel that there has not been a sufficient recovery in profits from the lows which they reached during the recession to justify vastly increased new investments. There is nothing in the Bill to increase the rate of return, or the prospects of an improved rate of return, for business in Canada which would lead business to decide to make further investments in the Canadian economy.

In addition, one of the problems which business has been given for not being willing to increase investment in Canada is the high rate of debt that has been built up and which clutters the balance sheets of business in the country. It is a hangover