

Supply

The Government of Canada is simply becoming a rubber stamp for American acquisitions and is doing nothing to direct both Canadian and foreign investments such that the country generally can equally share in those investments.

The figures are in front of us. I sympathize with the Hon. Member, but I say that if he wants to solve that problem, he has one choice, and that is to leave the Party he belongs to and join a Party that knows about regional development—not one that turns its back on the regions.

An Hon. Member: You created the problem.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Broadview—Greenwood (Ms. McDonald), on debate.

● (1500)

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Government's position on foreign investment seems to be extremely naive. We are not entirely clear where it stands on the free trade negotiations. We have heard many ridiculous statements on what exactly is being demanded of Canada in order to get an agreement on free trade with the United States.

Certainly the Prime Minister (Mr. Mulroney) and government Ministers generally have been very strong on the idea that foreign investment, whatever kind, whatever limitations or no limitation, just totally unfettered foreign investment, is good for the country. They seem to think that the more foreign investment we have, the more employment we will have.

We had a completely naive suggestion from the Prime Minister the other day that, for example, the City of Windsor, because it has a lot of foreign investment in the automotive industry, has very low unemployment as a result of the benefits of foreign investment. However, the unemployment rate in Windsor is just at the national average; it is not lower at all.

Let us think of single industry towns where the industry is a foreign-owned company. If there are shut-downs, slow-downs, lay-offs, or basically the company shut down the entire operation to buy a company or to move the manufacturing or processing back to its own country, the jobs are gone.

In the case of research and development we know that foreign-owned companies do not do their research and development in Canada. Financial services and management services are done in the home country, not in the branch plant. This means the more foreign investment, the fewer the jobs, the fewer high quality jobs, research and development jobs, highly skilled jobs, well paying jobs, and more secure jobs in Canada.

With the present foreign investment in Canada today, we should have the lowest rate of unemployment in the entire world if the Government thesis is correct that foreign investment necessarily creates more jobs. It does not. It depends upon the industry. It depends upon many situations.

We need investment. There is a place for foreign investment. We must make decisions to ensure that in any particular case the investment will be good for the country. If it is not, we need the power to say no to that foreign investment and, instead, to encourage Canadian investment.

What do the Americans want in the free trade negotiations and what is the role of investment? I want to talk particularly about the cultural industries. This is an area in which the Americans make a lot of money in Canada. They make their money largely through sales, because in most of these areas there are not any tariffs, quotas, or trade barriers. Free trade negotiations do not mean reducing barriers because there are not any. We have had the anomaly of the book tariff. Fortunately that has gone.

The Americans sell an enormous amount in film, broadcasting, television programming, books, magazines, video cassettes, and so forth to Canadians. They are making a lot of money in trade already.

What they want, realistically, is not more trade or more sales, although they would like that. What they really want is to be able to invest more in our cultural industries. In some of those industries we have limitations on foreign investment. Those limitations on foreign investment have been excellent for Canada. This is the irony.

If the Government took its own advice on this point, it would get rid of all those limitations on foreign investment, if foreign investment were so good for the country.

I want to look at these different industries and at the roles of foreign investment and Canadian investment to see how foreign investment has either served or not served Canadians well.

Let us look at book publishing and magazine publishing. Canadian book publishing is not a strong industry. The most successful, the largest companies, the companies with the largest revenues, the big sellers to our educational network, to provincial boards of education, have been foreign-owned, foreign-controlled companies. They are the big money makers. In fact, most Canadian-authored books are produced by a small number of Canadian-owned companies. If we want to talk about developing our own culture, if we want to talk about access of Canadian authors to getting their works out there to be read by people, we must turn to the Canadian-owned sector.

Canadian-owned companies published 85 per cent of Canadian authored books. Most of the books sold in Canada are foreign produced, so most of the revenues from book sales go back to other countries, and that is largely the United States. The Canadian owned companies happen to be the companies which export the most too.

We are not very big in exporting books, but Canadian-owned, small publishing houses exported 7 per cent of their sales. Large Canadian-owned publishing companies exported 12 per cent of their sales. However, when we look at foreign-owned companies, we see that their exports were only 1.7 per