

*Investment Canada Act*

to invest must be improved. This legislation changes the name and mandate of FIRA. In doing so it goes a long way toward improving Canada's reputation. It is a clear statement to Canadians and non-Canadians alike that we want to increase investment and to stimulate trade and industrial development.

Major acquisitions by non-Canadians will still be assessed on the basis of their net benefit to the economy, but that process will be greatly altered. The new process will be simpler and faster. For example, almost all investments to establish new businesses in Canada will be eliminated from review. This Bill eliminates from review most acquisitions of businesses in Canada by non-Canadians except for major acquisitions that can have an important impact on the economic, industrial or cultural interests of Canada. This Bill provides authority to review smaller acquisitions and the establishment of new businesses in culturally sensitive areas, such as book publishing, film production and distribution. This Bill recognizes the difference between acquisitions of businesses in Canada where the majority of assets in the transaction are located in Canada and those where the Canadian assets are only part of a larger transaction which occurs outside of Canada. This Bill ensures speedy decisions on proposals that require review by establishing firm deadlines through simplifying the decision-making process and providing advance consultation to potential investors.

I might add, Mr. Speaker, that during the course of this debate Members of the Opposition have stood to speak on FIRA and have said in its defence that it really has not discouraged foreign investment. Then they go on to give a litany of reasons why we should be against foreign investment. That is the paradox of their position. Having recognized that foreign investment can and will create the jobs which this country needs, recognizing that Canadians want to work and have a balanced view of this problem, we in this Party and our Government are moving to attract new jobs to Canada. The people of Cape Breton Highlands-Canso look forward to foreign investment and to jobs for themselves and for their families. They would prefer that Canadians invest, and they have invited Canadians to do so for decades. Surely we should not be asked to endure more decades of economic underdevelopment with its accompanying social costs.

**Mr. George Henderson (Egmont):** Mr. Speaker, I am pleased to speak to Bill C-15, the Investment Canada Act. Some people in the House of Commons may wonder why I, coming from Prince Edward Island, would be overly concerned about changing the name of FIRA to Investment Canada.

In Atlantic Canada FIRA itself did not have a major impact. It certainly did not have the major impact on Prince Edward Island that it has on many of the other provinces. If we were to look at the figures for investment in the Atlantic region over the last ten years, Atlantic Canada only accounted for 3 per cent of acquisitions and 5 per cent of new businesses. That is not to say this proposed Investment Canada Bill will not change the effect that foreign investment will have on the Atlantic provinces.

Foreign investment is needed in Canada for reasons of development and job creation. It was needed historically for regional development and contributes to the present regional and over-all development of Canadian resources. In the late 1800s and the early 1900s foreign investment was necessary for the building of our transportation system. Foreign capital was needed to complete it. Capital at that time usually came in the form of portfolio investments which left control of Canadian enterprises in Canadian hands.

Today we find a bit of a different situation. Investment today is direct, with the ownership of most of Canada's major companies no longer in Canadian hands. We do not want to discourage investment in Canada, but we should all be trying to increase the level of Canadian ownership in Canadian companies. Of course, Canadian ownership ensures that the best interests of Canadians are being observed. A balance between investment and ownership can be reached. Canada has bountiful resources. There are many opportunities for successful investment by making use of those resources. However, it is equally important that Canadians maintain control over their resources, especially those resources based upon our primary industries, such as agriculture, fishing, forestry and mining. It is important for the future of those industries and for the maintenance of a competitive role for Canada in the international market-place.

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I should like to look at some of the changes from FIRA to Investment Canada. One of the most notable is that responsibility will be taken away from Cabinet in the final decision of reviewing applications. No longer will there be regional representation that can determine what is best for the regional interests of Canada. In other words, the Minister responsible for Investment Canada can basically make that decision on his own. That troubles me as a Member of Parliament from Atlantic Canada, certainly from Prince Edward Island. I am not sure whether the Minister understands entirely what Atlantic Canada is all about.

We would have to take a look at some of the statements of that Minister in the last number of years. First, he has not been a great proponent of job creation in the context we in Atlantic Canada know. Our area is a very depressed one. It relies very heavily on job creation. It does not have the heavy industrial base which exists in some parts of our great country, specifically in central Canada. We are dependent upon our basic traditional resources—agriculture, fishing and mining.

The debate thus far has been mainly centred on south of the border, on what happens with investment between the United States and Canada. Most of the speeches were concentrated on American investment. There is another investment opportunity which was used in the past and will likely be used in the future, that is, European investment. I do not know whether the Minister and the Government have fully thought out exactly what could happen under the Investment Canada Act in the fishing industry if it is not carefully scrutinized. The Minister responsible has stated, for example, that Fishery