

Foreign Takeovers Review Act

other taxpayers with whom he is competing. This is solution No. 1.

Secondly, Mr. Speaker, we must have an integration of succession duty and capital gains tax. Then I think it is possible for the federal government and the governments of the provinces to act on a pro-Canadian basis. I can give you an example, and I am sure there are many others. The most recent one that comes to mind was when Syncrude, in my own province, obtained an enlargement of its permit and the administration imposed a number of conditions which were pro-Canadian in their thrust. Everybody recognizes their purport. It did not require lengthy statutes to say this or that must be done. This was action taken by government in regard to a particular industry.

My colleague from Fundy-Royal this afternoon dealt at some length with a partial solution dealing with the key sector. That is now in existence. As I say, Mr. Speaker, I do not think there is one complete solution to the problem. I am concerned that this bill is being put forward as a very brave answer to the problem even though it may deal with only a very tiny segment of it. I am very uneasy about a lot of the takeovers and about the ease with which they are undertaken. But, Mr. Speaker, I say that we Canadians have created the climate for them. We have created the conditions that led to these takeovers.

One solution tried in the past was a restriction on the sale of shares. I remember the case of Alberta Gas Trunk Pipe Line whose shares were to be sold in limited amounts first to Albertans. That sale was really oversubscribed. But, Mr. Speaker, the general public has not yet been educated to hang on to its investments. This was a good investment, but many of the people who had never held shares before sold them as soon as they rose \$10 or \$15. The shares were placed immediately on the market. The company is still controlled in Canada but I suggest a significant number of the shares are held by investors abroad.

I also remember when Rainbow Pipe Line was being incorporated here. All the companies involved were foreign-owned or foreign-controlled and in fact the dominant interest in one of them, Aquataine, was held by the French government. I suggested that the shares in Rainbow Pipe Line be placed on the market with the same kind of restriction as applied to Alberta Gas Trunk Pipe Line. That is a solution to that particular type of monopoly.

I see no hope for the Canadian Development Corporation in this field, not one iota. I do not want to traverse old ground, but the Canadian Development Corporation so far as I am concerned is a dead duck. It was ruptured the day it was born. It will never operate for the Canadianization or preservation of Canadianization of industry.

So, Mr. Speaker, we will examine this bill in committee. I am opposed in principle to the screening of takeovers. I am uneasy about them, as I have said. I do not think this bill will go very far, but let us see how far it goes and then we can get to the problem. We do not have a monopoly of this problem; it is worldwide. We must remember that if we place restrictions on foreign owners, then similar restrictions may be placed on Canadians operating abroad. We must live and let live, and to that extent the problem becomes more complex.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I am very pleased tonight to be able to address a few remarks to the chamber on second reading of Bill C-201, the purpose of which is to provide for review of foreign takeovers in Canada. I would like to confess immediately that I class myself as an economic nationalist. I feel quite strongly that we have to take strong steps in order to preserve our national identity and economy and to maximize the economic control that Canadians ought to have over their own affairs; but at the same time I recognize that this is a very complicated problem.

There are many regional influences involved, and provinces within their own jurisdictions are rightly concerned with the amount of foreign investment that they can attract. We live in a federal system, and when we have a federal policy that is too stringent it can have disastrous effects upon the underdeveloped regions of Canada which are much concerned with the problem of attracting foreign investment to their respective areas. We must stimulate the economy to create the maximum number of jobs for the fastest growing labour force in the world. I feel that our policy has to be a responsible one directed to maximizing employment and at the same time seeing to it that there is no further erosion of Canadian ownership. I think this bill is a step in that direction.

Personally, I am not convinced that this legislation is as far as we ought to go, but I would like to say a few words on the subject which the committee after second reading might bear in mind. For a moment I would like to examine the reactions of the various premiers across Canada, to see what they think of this bill. In the province of Newfoundland, to my knowledge the new premier has not really made a definitive statement, but in Prince Edward Island, Premier Campbell has stated quite clearly—

Mr. Paproski: He was just sworn in.

Mr. Deputy Speaker: Order, please. The hon. member for Ontario (Mr. Cafik) has the floor.

Mr. Benjamin: That's the whole problem.

• (2130)

Mr. Cafik: In Prince Edward Island, Premier Campbell has clearly indicated that as far as he is concerned the origin of funds is not the major concern; rather, it is to make sure that the federal government does not take steps to minimize the amount of foreign investment and job creation in the area. In New Brunswick, as far as I can see Premier Hatfield has indicated that this policy is acceptable to him. In Quebec, Gerald Levesque, the former minister of trade and commerce in that province, indicated that they did not want the federal government to close the door on any investment which would create jobs.

Mr. Paproski: Who is that—premier René Levesque?

Mr. Cafik: Premier Davis, in the province of Ontario has warned the federal government and the people of Ontario against plunging blindly into programs that would produce greater domestic control of the economy but would divert foreign investment from Ontario. He has said that Ontario still needs investment from outside its borders.