

*Foreign Takeovers Review Act*

Ashland of the United States? I wonder whether even that was a wise move.

• (1630)

**Mr. Woolliams:** It was an ad hoc one.

**Mr. Horner:** That is true. The government bullied the people concerned to get on that decision. There was no legislation on the order paper to stop the sale. From an Albertan's point of view, it could be argued that Ashland of the United States might well be more willing to invest its profits in Alberta than consumers Gas of Toronto, the eventual buyer. Sometimes we in the west are not convinced that eastern Canada is attempting to reinvest its profits in the west. I am not saying that Consumers Gas will act as a true eastern concern; I hope it will not, but we will have to wait and see.

In an article in the *Montreal Gazette*, John Meyer, the financial writer said:

This, of course, is going well beyond the limited objective of making Canadian assets safe for Canada. It is by far the deepest penetration this government has made in the private sector.

**Mr. Pepin:** Some of your economists were saying that.

**Mr. Horner:** I agree. Our party is not in government, therefore we can enjoy the richness of diversity of opinion. When one is in the cabinet, there must appear to be responsibility. During the debate yesterday we heard varying opinions from backbenchers in the Liberal party.

I should like to recommend to the House that when this bill goes to committee, witnesses should be called from all parts of Canada because there is a great diversity of opinion in the country. We are a federal state comprising ten provinces and four or five regions, and we should hear from all those regions on how this bill may affect their development.

**Mr. Pepin:** On the philosophy of foreign investment or on the administration of the bill?

**Mr. Horner:** On the philosophy of the bill and, dealing with the administration, the screening agency should make its findings public. I do not think they should reveal the names of the individual firms, but they should make public the material on which their advice to the minister is based so that the action of the government can be judged. I should like to hear in the committee from business concerns about this aspect. Indeed, I would go so far as to say that the committee should travel across the country to hear witnesses. I think this is the deepest penetration by this government so far into the private sector. We pride ourselves on being a free enterprise country and we should take this initial step. Who knows, it might not be the last step.

**Mr. Pepin:** Mr. Speaker, I would like to ask the hon. member to clarify whether we are going to organize a road show to ask people to talk about the philosophy of foreign investment in Canada? Canadians have been talking about foreign investment for nearly a century now, and presumably will be talking about it for another few years. I would like the hon. member to tell me what kind of question he thinks should be discussed in committee. I suggest it should be of the type he indicated a moment ago

[Mr. Horner.]

such as what would be the criteria of screening, what publicity would be given to decisions and so on.

**Mr. Horner:** I could not agree more. Those are the types of questions and concerns that business has. I think government owes it to business to fairly and clearly explain the intent of this legislation so that the business community can feel secure, and then go forth and multiply. That is the only way we will employ the millions of Canadians who are still in their teens and who will be entering the labour force in the next couple of years.

**Mr. Woolliams:** The unions should have their say, too.

**Mr. Horner:** I should like an assurance from the minister that the committee will hear witnesses on this question. Is that implied? If the minister agrees that witnesses could appear to deal with the administrative side of the bill, I hope they can also deal with some of their other fears. I think it would be difficult for the business community to confine itself solely to the question of administration.

**Mr. Pepin:** A committee where one would study the taxation system and the effects of foreign investment—where one would study the quality of management in Canada? I suggest that if we put the whole debate on foreign investment again in committee, we will be still at it two years from now.

**Mr. Woolliams:** It would be better than killing off everything.

**Mr. Horner:** I appreciate the minister taking an interest in my remarks and the interchange that has taken place.

In an article by Harold Greer which appeared recently in the *Ottawa Citizen*, he said:

One of the darker mysteries of the Foreign Takeovers Review Act is that the federal government, after agonizing so long over the problem of foreign investment in Canada, has brought in legislation which is probably unconstitutional.

This question has not been dealt with to any extent, but certainly provincial governments seeking foreign investment have made excursions throughout the world. British Columbia has gone to Japan to encourage foreign investment, and I think even the NDP government of Manitoba went to Japan. It is well known that Newfoundland has travelled the world over looking for foreign investment. It may turn out that the provinces will challenge the constitutionality of this legislation at some time. Some of them have said that it does not go far enough. This is another good reason for referring it to committee for broad discussion. The article continues:

A federal law dealing with foreign takeovers could be framed on solid constitutional grounds, but this bill virtually invites challenge in the courts—

The constitutionality of the legislation is hardly of academic interest, since it will be open to any provincial government or any Canadian company affected by it to challenge it on constitutional grounds.

The whole question of whether it is good for all parts of the country must be considered. In a different article in the *Ottawa Citizen*, Peter Calamai said:

Science Council Chairman Dr. O. M. Solandt today warned that proposed federal laws on competition and foreign ownership could push more Canadians on welfare.