

Foreign Investment Review

Further, Mr. Speaker, the final decision is to be a political one. It will not be buried in the dark rooms of officialdom, subject to the decisions of deputy ministers, assistant deputy ministers, and third assistant deputy ministers. The decisions will be determined in the political arena, and in making a decision in that way a minister makes himself politically liable. The decisions made in this sphere will receive more and more publicity, and all this as a result of the interest of Canadians as a whole in economic nationalism and in preserving control over their economic destiny. I welcome the fact that takeovers will be the subject of political review, and I am sure that this legislation will help us preserve Canadian control over our own development. There are some advantages that flow from this legislation, and I disagree with my colleague for York South—

• (1610)

An hon. Member: I am sorry, but he is not your colleague.

Mr. Blais: Mr. Speaker, I wish that interventions from hon. members were a bit louder, so that I might know their import. It appears that the collection of information that is to flow from the investigations will be most advantageous to the future development of this government's policies in the field of economic nationalism.

The theory of the "corporate veil" has been and still is dominant in corporate law in Canada. That theory, indeed, has worked to considerable disadvantage in the fields of Canadian knowledge and information. These relate to economic decisions that are made in Canada and affect Canada's destiny. I hope that the regulations to be drafted, which cover the necessity of disclosure by foreign controlled companies and foreign investors seeking to purchase Canadian companies, will be most elaborate and permit a complete review of the circumstances in question. I feel this is important, as we will need to make decisions for some time to come on the desirability of any given investment. The more information we can gather, the better the situation will be.

One concept is not included in this bill, and I should like to see it included, if not in this bill then in some other forthcoming piece of legislation. I am referring to the use of the CDC. The hon. member for York South indicated that he wanted to change the whole structure of the CDC. It is all very well for him to suggest a complete change. Sudden or radical changes may be very well to advocate, but those who have the responsibility of governing cannot always advocate such changes. If I may speak for the record, let me suggest that the CDC could be employed in this particular process with respect to which we are now legislating. It could be used in the creation of an adversary system in this field.

Our deliberations in this House are based on an adversary system, and I submit that we should employ that system in the process that we are now contemplating. I am suggesting the involvement of Canada Development Corporation because I firmly believe that that corporation will in time evolve as our main agent in securing Canadian control over commercial enterprises. I might suggest, further, that the use of that organization at this time with respect to the process being devised would be premature.

[Mr. Blais.]

In future there will be ample time to review, discuss and debate the suggestion I am making.

Under the adversary system, Canada Development Corporation could be given notice of the intention of a foreign investor to invest in Canada. At that stage, Canada Development Corporation would have a chance of reviewing the company which is subject of the proposed takeover and it could see if perhaps it could not make an offer to the minister with respect to the takeover of that particular company. I truly believe that in many instances in the past foreign takeovers were forced upon companies as a result of their not having sufficient capital to solidify or consolidate their position, or to expand. I am sure that if CDC were involved, it could intervene in the transaction. It would have the ability to invest in the company sought to be taken over by the foreign concern, the result being that that particular company would stay in Canadian hands. The same reasoning would apply to the creation of new businesses, Mr. Speaker.

We are in the present situation because there has been an absence of information available to Canadians regarding the effects of the potential investment. I feel that as a result of the information in this field that is to be made available to us by virtue of the passage of this legislation, Canadians will be better able to determine where their money should go and what is proper investment. Indeed, the Canada Development Corporation would be the instrument for carrying out the will of the people, because it could invest with a full knowledge of the areas in which investments ought to be made.

I am pleased to have been able to participate in the debate on this long awaited piece of legislation. I feel that, to be effective, it will require public support, and public awareness. There must be public recognition of the importance of each decision taken under the provisions of this legislation. Inevitably, because of the wide scope of its terms, each decision will be precedent setting. Of necessity, I believe Canadians should follow the whole process, so that by their participation and by their reaction, the government may know where the people think we should go. The exercise of the ministerial discretion will, of course, be governed by what is the national interest and the public good. Only an aware public, recognizing the difficulties with which the minister is faced, will be able to advise the minister on the propriety of any decision.

Mr. Ian Arrol (York East): Mr. Speaker, Canada up to recent times has been a juvenile giant unable to stand on its own feet. It was spoon fed first by Britain—there was no spoon feeding from France—and then by the United States. In our infancy we were fed from Britain, nourished by her money and technology. When we became older we left mother for a more interesting and swinging personality from whom to receive, a personality just across the way, Uncle Sam. Besides giving us money, Uncle Sam did most of our thinking for us.

Uncle Sam developed such ideas for us to copy as the factory assembly line, the use of the computer, cost accounting, data processing, and new packaging and marketing methods. It was Uncle Sam's money that was used for research, so that even without an idea in our heads we could have money in our pockets. Uncle Sam built our early libraries and stocked them with books and educated