

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS**FOREIGN TAKEOVERS REVIEW ACT****MEASURE TO CONTROL FOREIGN TAKEOVERS OF CANADIAN COMPANIES**

The House resumed consideration of the motion of Hon. Jean-Luc Pepin that Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Schumacher: Mr. Speaker, at five o'clock I was quoting from a speech made by Mr. A. H. Ross, president of Western Decalta Petroleum Limited, a Canadian company located in Calgary, in reference to jobs for Canadians in the mining and petroleum industries because it has been said in this debate that this is not a proper type of investment. When we went into private members' hour I had just started to quote Mr. Ross. He said as follows:

Unfortunately at this time little good statistical data is available with regard to the over-all effects of the oil industry. A study of this subject is under way between industry, the Alberta Energy Resources Conservation Board and the National Energy Board but it will probably be over a year before any tangible results are forthcoming. However, various estimates have been made and I will attempt to go through some of them with you. In Alberta Professor E. J. Hanson of the University of Alberta stated in his book "The Dynamic Decade" with updating in 1966, "The economic effects of the petroleum industry upon the province have been large and far reaching transforming a mainly rural and agricultural society into an urban, industrialized one. Alberta was a one-industry economy with limited opportunities for labour and capital—the population would have declined if petroleum had not begun its rapid development—instead of 700,000 people in 1961 there were 1,332,000" and today, 1,639,494—"the petroleum industry has almost doubled the level of employment in Alberta since 1946—the estimated revenue contribution by the oil industry for 1964 was 47 per cent of all personal disposable income" over 50 per cent today. Finally, he concludes that "in the last two decades, the exploration and development activities of the petroleum industry have been prime generators of economic growth—and the skills and abilities of the labour force have been upgraded greatly—with the continued expansion of the petroleum industry being of vital importance to the region."

• (2010)

One has only to consider enterprises like Alberta Gas Trunk Limited, Atco Industries, Kaps Transport, PWA, Transair, Banister Construction, to realize the opportunities outside the actual exploration and development sector which have been created for Canadians. Alberta has become the research and development centre for Canada for such things as off-highway transportation vehicles (which are being sold all over the world including Russia), solid pipelines which could have major implications for mass transportation of Alberta's coal and sulphur, and the application of computer science to mineral exploration which has already made Calgary a major data processing centre.

Another major contribution of the petroleum industry is the large scientific and managerial community which it has established in the west. This industry has attracted scientists and

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managers from abroad and has been responsible for the repatriation of many highly trained Canadians who had emigrated to other countries. With about 7.6 per cent of the labour force in Canada, Alberta has 42 per cent of the total number of professional geologists (in the order of 1,300) and 30 per cent of the professional mining engineers. As of January 1, 1967, it is estimated that 90 per cent of the petroleum geologists employed in Canada were located in the three western provinces.

Added to the geologists, geophysicists, and engineers are a great number of technicians and other professional employees associated with the petroleum industry. A sizeable reservoir of highly trained people are now available in Canada. This scientific and managerial community has provided the initiative and expertise for the formation of Canadian oil and gas firms, for a drilling industry about 90 per cent Canadian-owned, for Canadian firms to participate in overseas exploration in the United Kingdom, North Sea, Indonesia, Africa, and for opening up the Canadian north. This technological base in Canada will prove to be a significant factor in Canada's development in the future and a significant factor in attracting secondary industry to western Canada.

Then he mentions how much the resource industries have contributed by way of taxes, royalties and other fees to the governments of the west. It is not accurate to say that those industries contribute nothing toward the government of this country. True, they may not be high on the list of those contributing to federal corporation taxes but they certainly contribute much to the provinces in which they operate.

Earlier when I was speaking the minister asked what it is that I propose and added that my attitude seemed to be totally negative. Before dealing with that matter may I say that we must pay attention to Canadian investors if foreigners are to be prevented from investing in this country. Unless the government's attitude is different from its attitude of the past there will be little sense in preventing takeovers by foreigners. Who will take over a business if nobody wants to take it over? That policy might make sense for monied people in central Canada who may want to go to the fringe areas and snap up businesses at bargain prices.

Actually, one foreign company is trying to Canadianize, so to speak, one of its subsidiaries. In this connection may I quote an article carried in the *Toronto Star* of May 27. I was somewhat surprised to find this story in that newspaper, in view of the strong editorial bias in favour of the NDP and the Committee for an Independent Canada shown by that publication. This bias results from the strong influence of Mr. Walter Gordon on the editorial policy of that newspaper. The headline reads, "U.S. firm is planning takeover of gas company—by Canadians." The article speaks of the efforts of Pacific Gas Transmission Co. of San Francisco to dispose of its majority interest in its subsidiary, Alberta Natural Gas Company Ltd., and contains this passage:

Charles Smith, president of Pacific Gas Transmission Co. of San Francisco, says his company wants Canadians to own 55 per cent of a Pacific Gas subsidiary, Alberta Natural Gas Co. Ltd. Canadian ownership is now 33 per cent and Pacific Gas owns the rest.

Though market analysts consider Alberta Natural Gas a sound investment, there has not been enough Canadian interest to realize Smith's goal.

Smith said his company is offering the shares because the move "gives recognition to the Canadian government's policy of