

unfavourable to foreign investment travel extensively abroad to attract it in one form or another.

Be that as it may, I think everybody here will at least agree that there was a division between provincial leaders on the degree of acceptable control in Canada, and the federal government had to bear this in mind. We had been cautioned to do so, and to illustrate this point I can find no more useful a source than the Leader of the Opposition (Mr. Stanfield) himself. In a speech to the Progressive Conservative Association in Nova Scotia, written in his own hand, which he gave on February 5 of this year he said:

I want to warn the government that, as far as we are concerned, any policy that pins its faith exclusively on the restriction of investment in Canada in order to protect our identity as Canadians is bad for this country and would be disastrous in terms of national unity.

Frowning heavily, I presume, he added:

I want to warn this government that any such policy, far from protecting our identity, would turn region against region, province against province, and Canadian against Canadian.

I want to warn this government that we in the Progressive Conservative party shall fight hard against any policy that would have the effect of cutting off sources of investment to the provinces that are still in need of capital.

Frowning even more, I presume, he said:

I want to warn this government that we shall fight to the end any policy that would hamper the fight against unemployment and weaken the Canadian economy.

After saying that, the Leader of the Opposition has no speech to make. I think he can hardly disagree with this bill. I anticipate that he will not. I am quite sure that he will be talking about other things that we might have failed to do. But I am talking about this bill. If he wants to talk about other things, that will be his choice.

So much for some hon. members in the House who normally fear uncertainty. Others, both inside and outside the House, say that Bill C-201 does not go far enough. Presumably, in their view, the government has paid too much attention to public opinion, to provincial leaders, business leaders, etc. They are taking an absolutist line. I have heard their statements on the radio: full steam ahead, damn the torpedo, damn the economic torpedoes, damn the regional torpedoes, damn the constitutional torpedoes. These gentlemen say they are the true democrats. They know what is best for the Canadian people. They will force Canadians to be free. I was listening to one this morning and, in my view, that is aristocratic government, possibly even foolish government. Good government is progressive government—Liberal progressive of course; good government is evolutionary government. As has often been said, the best revolutions are evolutions. Let me put it in a nutshell, Mr. Speaker. This is why we included only take-overs in the screening process.

The next question which was raised was, why screening? Why not the general restriction approach, 50 per cent of this, this being ownership, and 75 per cent of that, that being the number of Canadians on boards? Some ask why the general restriction approach was not taken, why not add to the key sector, new areas where foreign investments would be either excluded or regulated. As I said at the beginning of my remarks, these methods have been used in the past in Canada, I mean the general restriction

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method and the key sector approach. In my view that was the right approach in areas of unqualified national importance. I want to emphasize that. This approach might still be used in the future, but in the particular areas about which I am talking now, particularly manufacturing and resources, it was felt that using the key sector approach, so dear to the Leader of the Opposition, was too blunt and too automatic a means.

Why is that so? Because foreign participation in these areas in general brings clear benefits as well as obvious costs. Things were clear, one-sided, in some of the cultural areas that were singled out for the key sector approach. There was no great interest in having foreign investment and control. But I repeat that it is not so clear in the areas of manufacturing and resources. Here a more flexible and a more selective approach is needed. To use a useful cliché, we need in these areas not necessarily to exclude but to exclude only if necessary. I am not ashamed of using Mackenzie King's style. Those were wise words. He was trusted by the Canadian population for 23 years. To use a useful cliché again, Mr. Speaker, in these areas it is necessary to maximize the benefits while minimizing the disadvantages. That is the very purpose of the screening process.

Let me insist. To use the expression of the main character in *Fiddler on the Roof*, on the one hand a takeover can reduce Canadian participation in Canadian industry and provide nothing in the way of new activity in the economy; it may even result later in the closing up of Canadian business and the consequent loss of jobs. But then, on the other hand, a takeover may provide the means to rejuvenate a declining business or provide expansion to an already viable enterprise through the infusion of new capital, new technology, improved management and expanded market opportunities at home and abroad. It can also bring lower prices to Canadian consumers. The first, on the one hand, should be blocked, should be excluded; the second, on the other hand, should be allowed, and improved if at all possible. So much for key sectors, Mr. Speaker.

• (1520)

Then the next question is why not—

**Mr. Crouse:** Would the minister entertain a question at this point? Is he not aware that the key man in "*Fiddler on the Roof*" also held his hands up to heaven and cried, "Good Lord, why must you visit all this on me!"

**Mr. Pepin:** Mr. Speaker, I only have one daughter to marry off, so I don't have to worry as much as Topal seemed to worry.

**Some hon. Members:** Oh, oh!

**Mr. Pepin:** I was trying to answer the question, why not more key sectors? I hope the Leader of the Opposition will take account of the remarks I have made.

The next question is: why not have general rules of Canadian participation? Why not a 51 per cent ownership formula? Why not a 75 per cent of directors formula? Why not the 90 per cent of management formula, and so on? These have been recommended by a good many people.