

capital gains and on registered retirement savings plans. One of the amendments allowed farmers to take \$100,000 of their capital gain on the sale of a farm, place it in an RRSP and use the RRSP funds to invest in the Canadian economy. This, again, would have provided a strong incentive to the acquisition of Canadian common shares.

The key approach we would follow would be to encourage Canadian ownership through incentives. We would use the private sector, both companies and individuals, to participate fully in this process.

In contrast, the Liberal approach has been a more negative approach. In Bill C-48 they impose their 25 per cent ownership, and not full compensation for that ownership, on projects that are under way. They would not take the risk that the private sector had taken in bringing the project to the exploration stage.

The Liberals have proposed a tightening of, and a greater intervention in, the activities of the Foreign Investment Review Agency. We do not know where that stands.

The Minister of Industry, Trade and Commerce (Mr. Gray) has said that is still in the mill. Other sources have said that that proposal has been pulled back. We do not know where it stands. We do know, however, that the existence of those proposals is casting a cloud over future investment in this country.

I believe the government must say one way or the other where they stand on that issue. Until we have that proposal dealt with one way or the other, it is going to have a negative effect on investment in this country. If there is a negative effect on investment in this country, there is going to be a negative effect on job creation. When we have 8.2 per cent unemployment, 900,000 people unemployed in this country, and expectations are that the number will increase further as we go further into the winter, we should not be deterring investment and we should not be deterring the creation of jobs in this country. Finally, the Liberals have interposed a much greater degree of state involvement through the operations of Petro-Canada.

In my earlier remarks, I said that Petro-Canada was perfectly eligible to go out and buy the subsidiaries of non-resident oil and gas companies. What we saw in the acquisition of Petrofina was the sloppiest acquisition that I have seen in my 18 years of experience in the investment business. A year ago September the shares were trading at less than \$60 a share. Somehow or other, rumours got out that Petro-Canada was going to buy Petrofina. So what happened during that period? We had periodic run-ups in the value of those shares to the point when at \$90 per share they said, "Yes, we are going to buy this company." What price did they say they would pay for it? Not \$90 per share but \$120 per share, more than twice the value of the company when those rumours started to occur and when Petro-Canada started the negotiations with Petrofina. This is what I mean when I say it is the sloppiest operation I have seen in my experience in the investment business. That sloppiness has cost Canadians, through the increased amounts of money that have been sent out of the

country to create jobs in Brussels, many valuable tax dollars which could have been much better spent in this country.

**An hon. Member:** Consumer dollars.

**Mr. Wilson:** The minister said in defence of the price paid, "We only paid a premium of \$30 over the \$90 and that is consistent with the premiums that have been paid in other takeovers in North America over the past year." Again the minister misled the House, as I said a minute ago, because the premium he paid was not \$30 over \$90, but \$60 over \$60, the price at which the shares were when the negotiations started. That is costing us money.

That is why we said in the approach that we put forward on Petro-Canada a couple of years ago that we wanted Petro-Canada governed by private sector disciplines so they would not waste the tax dollars of people in this country. They would have been more careful—

**Mr. Chénier:** You wanted to dismantle Petro-Canada.

● (1500)

**Mr. Wilson:** No, sir. I hear the old myth surfacing once again. The hon. member said that we wanted to dismantle Petro-Canada. That was back about five years ago, in the early stages of the development of Petro-Canada. The former minister of energy can set the hon. member straight on that. When we were in government, we said that we would help Petro-Canada to grow and to be a powerful, profitable, large company in the oil and gas industry. This is what the proposal we put forward was to do. It would have been a stronger and more effective company in the oil and gas industry. It would have done more to create oil and gas development than the company which is being run by the government at this point in time.

I should like to return to the point at issue which I was discussing before I was interrupted by the Groucho Marx opposite. The key of the Liberal approach is more government ownership and more government intervention in the economy. Basically, it is negative in its direction.

The approach put forward by the Progressive Conservative Party would have led to a more positive investment environment in Canada, to more job creation, to a stronger Canadian dollar and to less inflation. This is the key. If it leads to less inflation, it will lead to lower interest rates. There is not a man or a woman in the country who does not believe that we need lower interest rates. This is the approach we would take if we were in government today. Canadians are becoming more and more anxious to see the Conservative party on the government side of the House so that it can make decisions which will create jobs and reduce the onerous level of interest rates.

I want hon. members opposite to listen carefully to my remarks. The Liberal approach clearly results in a negative business climate. I do not think there is a man or a woman in business in the country today who would say that the business climate is good. Yesterday I had occasion to speak with a man who said that the business climate in Canada is the worst he