

Foreign Takeovers Review Act

For instance, why does Bill C-201 apply only to acquisitions of control? Why not implement a policy to extend and enlarge general restrictions in key sectors, all questions that are dear to the hon. Leader of the Opposition (Mr. Stanfield)? Why a reviewing or screening process and other similar questions?

[English]

I find it difficult to answer the first question which has been raised. Some people have asked: why not exclude all foreign investment? I think no modern country can afford to deprive itself of the benefits associated with foreign investment in terms of capital inflow, in terms of technology, in terms of markets and in terms of employment. No country today can afford to join an economic nunnery. Markets, technology and capital move around the world these days very rapidly with foreign investments. It seems to me it would not be particularly intelligent to deprive ourselves of these contributions. The technologically richest and most advanced country of the world, the United States, takes more and more foreign investment. I was looking at the statistics a moment ago and found that the United States in 1970, has experienced an increase of 11.8 per cent in foreign investment over the previous year compared to an increase of 8 per cent in Canada. This would indicate that the greatest and most powerful country in the world in terms of material wealth, is also taking a lot of foreign investment because of the technology and other advantages which come with foreign investment. So, the question to me is not one of should we or should we not. To me, it is a question of how, what are the acceptable means and methods.

The second question which has been raised in recent days, and which has been bothering many people I must admit, is the following: why include only takeovers in Bill C-201? Why not include other forms of direct foreign investment such as new investment, re-investment of earnings, for example. There are three or four good reasons for this. I think they are good. The first is that of all the various forms of foreign direct investment, Canadians have been most concerned mostly about takeovers, and rightly so, because they do not necessarily—there are exceptions of course—add much to the Canadian productive capacity. Another argument concerns the economic consequences of foreign investments. What would have been the economic consequences of including more than has been included in Bill C-201?

The extension of the review process to other forms of foreign direct investment could slow down the creation of new industry, partly through reduced business confidence at home and abroad and partly through the disruptive effects such a major intervention could cause, resulting in fewer jobs being created. On the subject of business confidence I find the opposition is divided, as is not too uncommon.

An hon. Member: So is the government sometimes.

Mr. Pepin: I meant as between parties. Perhaps it is true also within parties. We will find that out later in this debate. Some members complain that the government does things which contribute to economic uncertainty, even if those things should be in the interest of the greater objective of justice, national unity or independence of the

[Mr. Pepin.]

country. Strangely enough, in this particular instance, some people such as the hon. member for Prince Edward-Hastings (Mr. Hees)—and I regret his temporary absence, because I like to speak at him when I speak of him—seem to be saying things rather different from the usual line taken.

In this particular instance, the hon. member for Prince Edward-Hastings seemed to be saying that the government had not taken a sufficiently dynamic or aggressive line. He seemed to regret that we did not go any further. At least that is what I heard him say over the CBC on the night of May 2. I tried very hard to obtain a copy of his remarks because I like to be fair in reporting opinions heard. My hon. friend was flying very high that night. He might have been on a Concorde or a rocket. He said, in his usual subdued, non-emphatic tone, that the government had not been very energetic on that particular day. I would appreciate it if he would let me have a copy of what he said on that occasion.

• (1510)

Some other Members of Parliament openly do not give a hoot about the business community. They love to antagonize it. They think that uncertainty is fabricated to influence the government and used by politicians to justify their cowardice. This was the word which was used recently by the hon. member for York South (Mr. Lewis), and which he addressed to me. Such is the comfort of opposition benches. I am not complaining, I am just observing. Each time the opposition has been accused of irresponsibility I have heard the answer thrown at us, usually the hon. member for Peace River (Mr. Baldwin) is leading the attack, that governing is our responsibility and that they are not here to do our work. I say to that: fair enough.

In this particular instance, so far as Bill C-201 is concerned, we are governing in the interest of all Canadians, labour, management, owners, white collar and blue collar workers, hard collar, soft collars, too, striped pants, blue pants, hot pants and whatever you want. We did take into account public opinion. I must say that the polls, which will probably be quoted here, indicate quite clearly that Canadians are in favour of more Canadian control over their economy; there is no doubt about that. But at the same time we see Canadians—and I do not blame them—wanting a better standard of living, more security, more industrial growth, more and better jobs, better pensions, etc. If public opinion wants a responsive government, I suggest that public opinion also wants a responsible government and that is what we are providing in this bill.

The government had to consider how much intervention would be practical and workable. On these grounds, it chose to limit the review process to that part of foreign direct investment where, in the broad public view, there exists a genuine and clear consensus. We also took into account, when deciding on our policy, the views of the provinces, the theories of some of the provincial leaders and the practices of others. I must say that it is not easy to interpret all this. In a few cases, and I am not generalizing, there are slight differences between the theories and the practices of the same provincial leaders. Some who are generally favourable to foreign investment take restrictive action against it, and some who are generally