

*Foreign Takeovers Review Act*

with the complicated type of administration which will result from the legislation before us.

The other argument advanced by the hon. member for Selkirk, with respect to what he called the bill's errors of commission was that the purpose of the bill was not to prevent takeovers as such but to ensure that any takeover which did occur would be to the benefit of Canada. It seems obvious to me that there would be fewer takeovers under this legislation than now occur. Business decisions are often sufficiently marginal that the imposition of a great many added requirements by the Minister of Industry, Trade and Commerce (Mr. Pepin) would make them uneconomic. I can reach no other conclusion than that there will be fewer takeovers in the future. Tangentially, it is not always recognized that the legislation would apply not only to takeovers of businesses which are presently owned by Canadians but also to businesses owned by foreigners if they should change hands.

Granting that there will be fewer takeovers under this legislation, I cannot see how the hon. member and his friends can reject legislation which moves in that direction, especially since the only alternative would seem to be a policy of no takeovers, one of complete prohibition. The first criterion to be borne in mind by the minister in determining whether or not a takeover is to be permitted is the effect on the entire level of economic activity in Canada, including employment. In these circumstances, I find it hard to see how the hon. member can reach the conclusion he does.

There is one area of concern to which I should like to refer. Is there adequate provision to safeguard the civil liberties of subjects? Even people involved in business are entitled to respect for their civil liberties, and some hon. members have expressed concern about this question. The only way in which it can be dealt with satisfactorily is by consideration at the committee level. It will be necessary to examine all the protections and safeguards afforded before deciding whether there is sufficient assurance against arbitrary action.

Then again, the very complexity of the mechanism raises considerable problems having to do with efficiency. This is something which I suppose one has to expect, but here again I am reassured by my belief that the Department of Industry, Trade and Commerce possesses sufficient expertise to be able to handle the situation satisfactorily. I agree that the bill does not respond except in a small way to the general problem engendered by foreign investment. It does, however, respond to the problem to which it is addressed, that of foreign takeovers, which is the most acute problem concerning foreign investment.

The hon. member for Selkirk asked what would happen with respect to takeovers in the interval before this legislation is passed, and criticized the bill because it made no provision for the waiting period. If the opposition is genuinely concerned about this question they could co-operate in getting the bill through the rest of its stages quickly; that would be the best protection we could afford, the best way of showing the concern we feel about foreign takeovers. I have kept my own remarks short so as to contribute to this end.

[Mr. MacGuigan.]

**Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington):** Mr. Speaker, I am very pleased to be able to join in this debate on the government's so-called, foreign takeovers review act. I say "so-called" but perhaps the word "alleged" would do as well.

The lead paragraph of this bill reads as follows—and I invite hon. members to follow it with me and share my bewilderment over the assumption contained in this preamble:

An Act to provide for the review and assessment of acquisition of control of Canadian business enterprises by certain persons.

I think I could be forgiven if I were to assume from this that the government has assessed the problem—if there is a problem—arising out of investment in Canadian enterprise by foreign interests. I think I could be forgiven if I were to make the assumption that the government had pinpointed specific dangers to our economy and to our sovereignty as a result of such investment, and, more particularly, as a result of foreign investors having a majority interest in Canadian enterprises.

However, this is not the case. The government has not isolated any specific areas of danger, nor has it made any assessment of the true effects of the ownership of Canadian businesses and industries by anyone, foreign or Canadian. In effect, therefore, the bill is another example of the age-old adage about placing the cart before the horse. It is a classic example of the penchant of this government for launching upon attempted massive corrective action without first identifying and defining the problem it seeks to correct.

• (1710)

Unfortunately, the New Democratic Party has been working overtime trying to alarm the Canadian people to the dangers of an economic and political takeover by United States interests unless we buy Canada back from the foreigners. We hear the same gobbledygook from the ultranationalists led by the Liberal party's economic mix-master, Walter Gordon. We all know the story of Walter Gordon. We see his ghost floating around the benches across the way now and again, influencing the present government's economic policies in spite of the fact that he has long since been banished from his former place in the Liberal party. His infamous 11 per cent sales tax on building materials, which was bought lock, stock and barrel by the previous Liberal government and preserved religiously by the present Liberal government, put adequate housing effectively beyond the reach of the vast majority of Canadians and put the housing industry in the hands of promoters and speculators. I should like to hear some heckling from my left about that point.

The only attempt by the present government to give an identity to what is called the foreign investment problem was made recently by the very capable Minister of National Revenue (Mr. Gray) in the form of the Gray report. Unfortunately, like his colleagues, the revenue minister is on a short leash and he could not address himself to a definitive study of the problem. Judging from the failure of the Gray report to identify the problem, the minister was obviously directed to prepare an innocuous document that could be used to pave the way for this bill. I agree with my colleague who spoke earlier who said that this