

Foreign Takeovers Review Act

ment took over the plant and made a profit in the first year of operation.

These are some of the steps that we on this side of the House contend are necessary to regain some modicum of control over our economy, and to guarantee that our sovereignty and independence will no longer be threatened as they are now. I have put forward what is a minimal program. I have recited ten specific points for action. Only one of these has been acted on by the government in its so-called policy of economic nationalization, and this is the establishment of a screening agency to screen transactions that involve only about 20 per cent at most of foreign investment in this country.

What is needed is for the government to take the kind of action that my leader advocated on December 9. This must be done if we are to keep Canada Canadian. But in response to the expressed concern on the part of Canadians over foreign ownership of our economy, the government has brought forward a bill that is inadequate in every sense, one that does not even do what is stated to be its express purpose. Certainly, it does not touch on the problem of expanding the percentage of Canadian ownership of our economy, and this gap in the legislation demonstrates conclusively that this government is derelict in its duty to protect Canada's sovereignty. The protection of Canada's sovereignty does not involve only the use of military forces. It also involves the use of economic policy. In the use of economic policy, the government is derelict in its duty.

• (1610)

Mr. Ian Wahn (St. Paul's): Mr. Speaker, the purpose of this takeover bill which we are now debating is to make sure that no takeover of a Canadian business by a foreign investor will be permitted unless it can be established that it is clearly in the national interest. In recent years it has been clearly established that the number of takeovers of Canadian businesses by foreign investors has been so large as to arouse legitimate concern on the part of Canadians. There is no clear evidence that the number of such takeovers is decreasing, despite the fact that in recent years Canadians have been accumulating large quantities of investment capital which could be used for investment in Canada. Much of it is going abroad. Some of the takeovers which have taken place no doubt are desirable from the Canadian point of view, but others have not been desirable. As members of this House know, it has been necessary for the government to intervene without the benefit of enabling legislation to stop important takeovers. I refer specifically to the proposed takeover of Denison Mines and the proposed takeover of Home Oil. This method of control has been embarrassing and unfair to the government and to Canadian owners, as well as to the proposed purchasers of the businesses. It therefore makes good sense to have enabling legislation which will prevent takeovers unless they can be clearly established to be in the national interest. It is also probably desirable to make sure that there should not be an outright prohibition of all takeovers but only those takeovers which in fact do not help Canada.

The bill before us seems to be carefully drafted. No doubt there will be questions with regard to details which can be raised in committee, and no doubt there are a

number of amendments which usefully could be made. The principle, however, of having enabling legislation to regulate takeovers of Canadian business by foreign owners is sound. It is not all radical. Most industrial countries have established such procedures. Because of the high degree of foreign ownership of Canadian industry, the need in Canada for such legislation is greater than in most countries. Indeed, legislation of this type is long overdue.

I support this legislation as one phase in the evolution of a truly comprehensive national policy with regard to foreign investment and foreign ownership. The problem I have is not with regard to this particular bill. The problem is that this bill does not constitute a comprehensive policy concerning foreign investment and foreign ownership. It does not constitute the comprehensive policy with regard to foreign ownership and foreign investment which members of this House and members of the public generally have been expecting for so many years.

Mr. Brewin: Mr. Speaker, I wonder—

Mr. Deputy Speaker: Order, please. Is the hon. member seeking the floor for the purpose of asking a question?

Mr. Brewin: Yes, Mr. Speaker. I wonder whether the hon. member would permit a question?

Mr. Wahn: Yes, indeed.

Mr. Brewin: The hon. member was quoted in the press a few days ago as having said that this legislation was a baby step and would not halt foreign takeovers. He said it would be largely ineffective. Was he correctly quoted? Is that his view of this bill?

Mr. Wahn: That is a reasonably correct quotation. As I have said, I support this bill but only as one step, a small step, in the development of a comprehensive policy in respect of the foreign investment and foreign ownership, a baby step if you like.

Mr. Brewin: And ineffective.

Mr. Wahn: I will suggest certain amendments which would improve the effectiveness of this legislation if the hon. member for Greenwood will permit me to continue. The Watkins Report on the structure of Canadian industry was published more than four years ago. The report of the House of Commons Standing Committee on External Affairs and National Defence was published in August 1970, and all of us have been expecting an official government statement on foreign investment and foreign ownership since that time. This bill is good as far as it goes, but it does not represent the comprehensive statement of policy which we have been expecting. My remarks will deal primarily with such a policy.

I would like to make a very clear distinction between foreign investment and foreign ownership. I believe Canadians should continue to welcome foreign investment which will be of benefit to Canada and in the national interest; but I believe we should not welcome any further increase in the percentage of foreign ownership in the two vital sectors of manufacturing and resources, which now are more than 60 per cent owned outside the