

Foreign Takeovers Review Act

The Prime Minister said the government will use moral suasion in this aspect. I am anxiously waiting for another speaker from the government to delineate for me the Prime Minister's meaning of moral suasion. I think mortal man has many suasions morally, the Prime Minister none the less than the rest of us. It will certainly make most interesting jurisprudence if we see moral suasion as enunciated by the Prime Minister put into the body, so to speak, and made part of this whole takeover review board. This is an anxiety with which I will have to put up for a while. Surely, one of the spokesmen for the government will be telling us about the moral suasion which will form part of the government's policy. I hesitate to use the word nebulous, but in answer to a question of mine today, the Prime Minister said the point I was making was esoteric. I wonder if anything can be more esoteric than moral suasion. However, we will leave that consideration to other government spokesmen.

We will require a much more clearly defined and public set of guidelines because it will be our obligation, and I presume the bill is drafted in this form, when Parliament is debating at some future time whether or not a takeover comes within the ambit of this clause of the bill. This will be a public matter. In fact, there will have to be a great deal of publicity, not hurtful in the sense of income tax matters that are restricted by laws, but Parliament must not be caught in the bind that there will be "secret" stamped on some of the policy considerations that go into the decision about whether an enterprise is likely to be of significant benefit. This, of course, is a subject for another debate. However, we must, in considering this bill and the takeovers that will or will not be permitted under it, not get ourselves into the position of being hamstrung by the fact that a good deal of the information is marked "secret".

I want to discuss for a minute or two some of what I might call the worrisome aspects of the working out of the bill in its technical sense. I hope that when the bill reaches committee some of the procedures can be tested, if I can put it this way, against the philosophy behind the Canadian Bill of Rights. I suggest there are some incursions in the way the bill is now drafted. Presumably, the minister and the department, which it is obligated by law to do, has received the advice of the Minister of Justice (Mr. Lang) that the bill is in fact not contrary to the Canadian Bill of Rights. This brings me to another point.

It is a pity that the Committee on Scrutiny has not yet got around to beginning its work. It might be very opportune to have the committee activated so that the regulations that flow from this act can be examined by that committee. There has been a great deal of fanfare about the committee on scrutiny. In a way, it is rather like this whole matter of foreign investment; heap big smoke but very little fire. I hope that smoke will be cleared away and that that committee can do some useful work in this and other aspects of the examination of regulations.

As I reminded the House, Section 3 of the Bill of Rights requires the Minister of Justice to examine the bill. I am running over this quite quickly. Presumably, the minister has done that and has seen that there is no inconsistency between that bill and this legislation. It should be noted that a condition precedent to the exercise of certain of

[Mr. Fairweather.]

these investigative procedures is that the minister, upon an ex-parte application to a court, obtains an order authorizing their exercise. I suggest the superficiality of this requirement will have to be examined. Perhaps it would be easier to do so in committee, but the minister and the department, I feel, are entitled to some warning. Clause 14(1) empowers the minister, where he has reasonable grounds to believe that a non-eligible person or group is proposing to acquire, or has acquired, control of a Canadian business enterprise without having given due notice, and so on, to cause an investigation to be made in connection with the matter. Subclause (2) authorizes the minister to designate any person he sees fit to carry out these investigations.

• (1600)

I suggest, as an aside, though a relevant one, in relation to the conduct of an investigation affecting the rights of a private citizen, that the structure of the investigative process does not set standards and qualifications or provide, at least, for the acquisition of qualifications through experience. The minister may vary his decisions from order-in-council to order-in-council; the investigator may be changed at the whim of a minister or his successor. For this reason the proposal in the bill is more alarming than might otherwise appear, because if a straightforward proposition to establishing a tribunal had been made we would at least have known the names of those appointed as members. Other misgivings have been expressed about the structure of the review arrangements, but I shall not go into them at this point since the House has been generous to me in allowing me time in which to speak. My hon. friends may wish to discuss them later on in the debate.

I feel Bill C-201 in no way goes to the root of the problems created by direct foreign investment in Canada. This is not to say it is not a partial solution. I have not been persuaded by that part of the minister's speech wherein he dealt with arrangements for a minimum allotment of shares for Canadians. We should like to know a great deal more about this aspect. Then again, despite the minister's hesitancy when he spoke about the efficacy of Canadian directors, I believe it would be a good policy decision, if only from a symbolic aspect, to provide for some Canadian directors. Rules with regard to full disclosure on the part of foreign corporations should be rapidly implemented. Also, as I suggested earlier, we must take parallel initiatives internationally to develop a system of accountability applicable to multinational corporations. To be fair, the Minister of National Revenue (Mr. Gray) mentioned this parenthetically at the end of his statement on May 2.

I do not resist in any way, and neither does my leader, the notion that key sectors should be expanded, though I have not discussed this matter widely. It has been said, for instance, that publishing, or the distribution of books, might well be made responsive to a much greater degree of Canadian control.

Mr. Pepin: You could get to it through the word "participation" in the bill.

Mr. Fairweather: The government keeps adding "participation" to concepts like democracy. Then, it avoids