

**Mr. Aiken:** That is what I object to most. I have heard much talk about preventing foreign capital from entering this country. I do not object to bringing in foreign capital when it is used to develop our country. As happens so often, the representatives of large financial institutions or international corporations bring no money at all to this country when they establish new plants or take over old ones. When they come, they bring with them nothing but their credit. They establish credit with local banks. They show that they possess sufficient collateral and deposit it often in the form of stock of their parent company.

On the strength of these securities they can borrow enough money from Canadian banks to carry on the business they want to take over. Following that, they use the savings that we Canadians are stupid enough to put into our banks and that national policy is stupid enough not to force into Canadian investment. This is not a case of bringing in foreign funds. In many takeovers not one cent of foreign money comes into this country and is used in the takeover. I do not think we ought to permit this situation. That is the sort of thing this bill might well have been directed against. As I said before, we welcome foreign capital that comes into our country to be used for development. In Ontario, where I come from, and in several other provinces this has been happening over the years.

**Mr. Pepin:** How could we incorporate the hon. member's suggestion in the bill?

**Mr. Aiken:** Money has come in from outside the country. It has entered the province and created a great deal of new industry. The province of Ontario has established guidelines which are reasonably well known to international business. Ontario has passed legislation which requires that resources taken from the province shall be processed in a primary and secondary way in the province before they are exported. Business people know this. When they come to this country and deal in Ontario, that is how they deal.

I think a good deal could be done in a bill like this to spell out to those who would invest in this country that they are welcome to come and use their knowledge and ability to develop Canadian industry, provided that the investing and the business enterprise is carried out in a way that we feel will be beneficial for this country. If we require secondary industries to be established in certain areas, as is the case in Ontario, I think that would be all to the good. I do not think the government is in any way dealing with the main problem in this bill. It is not letting people know that we welcome their money, welcome their know-how, welcome their ability to invest and create industry in this country, but that we welcome it on certain conditions and under certain firm rules which they should know about.

Foreign companies have moved into many other countries, accepted the rules of those countries and got along with them. That is the sort of thing that many of us felt should be included in this bill. The bill does not do that at all and is limited to preventing takeovers of existing businesses. Even there the bill is deficient. It does not make even a policy statement. For instance, if one looks at the title of the bill, one sees that it is a dead giveaway: it is,

#### *Foreign Takeovers Review Act*

"An act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons." Those "certain persons" may be certain undesirable persons or others; the language is vague.

**Mr. Woolliams:** Ambiguous is the word.

**Mr. Aiken:** Ambiguous is a good word.

**Mr. Pepin:** Those persons are defined.

**Mr. Aiken:** In any event, I think those persons are not the ones we are concerned about. Let us consider clause 2 of the bill in which the purposes of the act are spelled out. The purposes of the act are not carried out in the bill itself. I will not read the clause because we are not supposed to do that during debate on second reading debate. Nevertheless, the clause reads that the general purpose of this act involves, "recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians to maintain effective control over their economic environment is a matter of national concern", and so on. Certainly that is a matter of national concern and if the bill had dealt with it some of us would be happy. Having made these broad statements of purpose, the bill does little to carry them out.

• (2140)

This bill, in one limited sector, in one limited way, does something to tell the world that we want to control our own economy. For that reason one cannot be against it.

**Some hon. Members:** Hear, hear!

**Mr. Aiken:** I am somewhat embarrassed by the loud applause from my left for that statement. There must be something wrong. I thought I was developing a good Conservative policy. Maybe there are some Conservative members in the socialist party. I am afraid that I cannot agree with them when they adopt the attitude that they will vote against the bill, because it does something although in only one sector and only in a limited way.

The purpose of the bill is spelled out in clause 2. Perhaps the legislation will be improved in the future. I hope I will not find myself in the same position as the speaker who preceded me. He said that the reason he would vote for the bill was, in effect, that it was so bad that when the government puts it into effect and finds out how bad it is he will have done them a favour by voting for it. I cannot go that far.

The purpose of the bill as spelled out in clause 2 is notice to the world that we want to control our own economy, that Canadians in general want to develop guidelines and tell the world the basis on which we welcome their investment and participation in Canadian development. However, there are so many things it leaves undone and unsaid. I wish something more positive had been done. I do not necessarily mean that it should be more severe; I merely say something more positive should have been done so that foreign investors will know where they stand.

The bill has not been discussed at any great length. There are a few things that worry me, even in the limited