

have tried to understand it, that distinction has escaped me in a legal analysis. It is just as easy to argue that "net benefit" is more restrictive than "significant benefit" as it is to argue the opposite. In any event, all of the factors that arise in the analysis to get the result are subjective; they are exactly the same as I have indicated, with one addition, and that addition is found in clause 20(f), which provides something that was already in section 2(a) of the Foreign Investment Review Act. In other words, what has been done by the draftsmen is to take something that was implicit and make it explicit, but it does not add to it at all. There is no change.

● (1540)

Under FIRA, provinces affected by foreign investment proposals were to be consulted; other departments of government were to be consulted. The Honourable Sinclair Stevens said in the committee that this would continue under the Investment Canada bill, and I must say, looking at it, it seems to so indicate. The cabinet, under the Investment Canada bill, would look at sensitive cases. Now, honourable senators, I ask you to cogitate for a moment or two on what is a sensitive case. Who decides what is a sensitive case? I guess it is the minister, because he seems to make the decisions under this bill; the minister seems to be the person who makes them all. In this there is a marked change, because under the FIRA act those decisions as to what was of significant benefit to Canada, following the review and following the analysis, was a matter for the cabinet. What this bill has done is to raise the Honourable Sinclair Stevens to make him the conscience of national concern in regard to foreign investment. I say to honourable senators that that is a pretty thin reed to rely on. I hope honourable senators will agree with me that we could have somebody with a little stronger view than the Honourable Sinclair Stevens as a matter of conscience.

Why did they make the change? What was the purpose of it? It was not to relieve the cabinet of the work load. That had already been done by changing the threshold. It certainly was not by making the minister the sole decider, lifting the decision making process out of the political realm, because, no matter what one may think of the Honourable Sinclair Stevens, nobody would ever suggest that he would approach a problem in a judicial or quasi-judicial manner. Why should he? That is not his function.

The Investment Canada bill does shorten the time frame in which a review takes place. The rules for determining who is a foreign investor have been simplified. The penalties that existed under FIRA in the criminal impact sanction have been moved to the civil jurisdiction. These changes are not objectionable because they are largely procedural.

The Prime Minister and the Honourable Sinclair Stevens and other ministers have made a great point of saying that this bill indicates that Canada is open for business. I say to honourable senators that Canada never was closed for business. The Prime Minister said that this bill brought about a marked change. I think I have demonstrated that the change is not that marked. After all, the criterion of threshold must take into effect the elapsed time between 1974 and 1985. However,

if there has been a change as a result of this bill, what is the price that is being paid for the change, and how will Canadians be able to determine what price they have paid?

Accordingly, I would suggest that this bill could be improved by strengthening the basis upon which these things are looked at, and by providing that the minister shall arrange to carry out and report to Parliament for a period of, say, two or three years in small cases and a considerably longer period in larger cases, an audit of the actual impact upon Canada. This would be an audit which would be before Parliament to see, understand and question.

Some people have said that perception is as important in matters of investment as fact. I find that very difficult to accept, because if you are going to make investments you had better have the facts, and if you are just working on a little bit of "feel" you are in real trouble.

There is a perception, though, that the rhetoric has brought about which I think is most important; that is that standing there at the border are hundreds of millions, indeed billions, of dollars wishing to rush into this country from foreign investment sources. Nothing could be farther from the truth. The whole question of foreign investment is one of great competition, and, honourable senators, it is intense. Having had some experience, I recognize, as I am sure honourable senators who have had this experience will recognize, that investment is turned off not by review, not by analysis, but by taxation. Taxation on corporations has the most restrictive effect on investment that there is.

What this bill means and what should disturb all Canadians—and I am sure it will disturb honourable senators—is that Canada has given up something by this bill. It has given up a bargaining position. It has given up a position of requiring people to recognize that they owe something to us besides their money when they come in and take over part of our industrial life.

What can honourable senators do? I have been wondering about this, particularly with respect to what would be appropriate, and having in mind that the Prime Minister of Canada has described people in this honourable chamber as "hacks," "has beens" and "bagmen." The Minister of Justice has referred to people on this side of the chamber as "a coterie," a select group of society, and he has also referred to us as "a cabal." Shame on him!

What really stung me, and I am sure a lot of other honourable senators, was the Honourable Sinclair Stevens' remark that anybody who disagreed with him and the gloriousness of this bill was part of the socialist axis. I am prepared to be part of a cabal; I am prepared to be a has been; but I am not prepared to be part of the socialist axis.

In view of what they think of us in the other place, how can we go forward in a meaningful way? I have a suggestion. I was going to put the suggestion to the honourable senator who introduced the bill, Senator Kelly, but he is not in the chamber. What I was going to suggest to him was that he or one of his associates should move amendments to the purpose of the