

reserved the right in terms of indirect acquisitions, as I say, of \$50 million or more and direct acquisitions of \$5 million or more, to take a look at them and in that way we will catch the bulk of the big dollar items with respect to the legislation.

**Mr. Waddell:** One minister.

• (1125)

**Mr. Stevens:** I would emphasize that not only are we freeing up the system, we are allowing the system to function in the way the Hon. Member for Windsor West (Mr. Gray) perhaps anticipated when he wrote the original "Gray" report. This is often forgotten. In 1973 when the Foreign Investment Review Act was introduced, it followed the Gray report which recommended that the Government only intervene in important cases. This is sometimes forgotten.

I would like to quote from the report. It recommended such interference or intervention by "limiting the review process to major transactions". It went on to indicate that such review would be possible to maximize economic impact while minimizing the number of cases subject to intervention.

In effect, by knocking out 90 per cent of the cases which are otherwise reviewable, we are simply putting in place what the original Gray report indicated was needed. This is where I suggest that perhaps the problem arose. Ideology was aided and abetted, we will recall, in that period from 1972 to 1974 by this red rump group over there.

**Mr. Waddell:** You are the ideologue; we are the practical ones.

**Mr. Stevens:** The Government of the day brought in legislation which was far more sweeping than the Gray report ever anticipated. It was sweeping to the point of saying that every non-Canadian investment in the country should be subject to review.

Let me give another example. There is a moose hunting lodge not far from here which a non-Canadian thought he might like to buy. That of course triggered FIRA. We had to pass on that one. Apparently it is only open 10 days a year, but whether there was a significant benefit to Canada in having a non-Canadian buy that five acres with seven cabins on it had to be weighed. It took the might of the whole Cabinet to come to that determination.

**Mr. Nielsen:** There is a significant benefit to the moose.

**Mr. Axworthy:** That is about the level of judgment they could make.

**Mr. Stevens:** My critic in the Official Opposition has made a comment. I remind him that when FIRA was put in place unemployment in the country was slightly over 5 per cent. Today it is over 11 per cent.

**Mr. Orlikow:** What will it be a year from now?

**Mr. Stevens:** A lot lower, my friend.

**Mr. Orlikow:** We will look at it a year from now.

### *Investment Canada Act*

**Mr. Axworthy:** That is not what your Minister of Finance (Mr. Wilson) says. You had better read his report.

**Mr. Stevens:** It is interesting how the socialists come alive when we start pointing out a few of the hard facts. They have been saying: "My goodness, don't water down this thing called FIRA because it may trigger unemployment in the country", totally ignoring the fact that the unemployment with which we are now living is more than twice as high, number-wise, what it was when FIRA was put in place. Even on a percentage basis, it has gone from 5 per cent to over 11 per cent.

**Mr. Orlikow:** It will be 12 per cent next year.

**Mr. Waddell:** You are creating unemployment to fight inflation. Don't you know that?

**Mr. Stevens:** Let me touch upon another point which I believe Bill C-15 improves tremendously. I am referring to the question of how soon a person who has to have his investment reviewed receives an answer. Under the Act at the present time, there is a 60-day period. However, if the Minister dawdles and does not come to a decision, it is a very simple thing to apply for an extension. Once the extension is applied for, there is no termination. Cases have run for over a year before a person is given a yes or no answer. One has run for 18 months.

• (1130)

That is one of the great deficiencies in the present legislation. A person has a right to know. We are suggesting in our Bill that a 45-day turnaround is appropriate. From the date the application is finally filed, the Minister should be able to get enough information, contact the provinces and the various Ministers that might be interested, come to a conclusion and give an answer within 45 days.

There is a further 30-day extension in cases where that is required. However, if the Minister has not made up his mind after 75 days, the application is deemed to be approved. This is another positive signal to send to those who are interested in investment in this country. We hope Members will support it.

I would emphasize that during that period all the normal checks will be made. What we will be determining is not whether it is of significant benefit to Canada. In all fairness, how can one say that a non-Canadian who wishes to buy a hair-stylist shop is making an investment that is of significant benefit? That is why we are suggesting that it is too nebulous a word. Let's call it net benefit. Do we find that there is a net benefit? If we do, the application should be approved within 45 days, certainly within the 75-day period.

**Mr. Waddell:** You are assuming they are negative once you use the word "net".

**Mr. Stevens:** My socialist friend is spouting again. A socialist does not realize that there are credits and debits. As far as net benefit is concerned, I think even a socialist would realize that that is exactly what you have to weigh when you are considering whether an investment should be approved, wheth-