

Foreign Investment

Taking all circumstances under consideration and taking into account, surely, that there is not a single precedent in the proceedings of the House to support the proposition that such a procedure is acceptable, I would find it very difficult to make an exception at this time in favour of the motion proposed by the hon. member for Skeena.

Mr. Horner (Crowfoot): Mr. Speaker, I have a point of order, for clarification purposes. Are you suggesting in your ruling that the committee re-examine Bill C-164 in light of your ruling? I have taken it upon myself as chairman of the committee to try to get that bill through the committee and part of that effort was passing on to the House the sixth report of that committee. I would hope you are not referring that bill back to the committee or asking us to re-examine it.

Mr. Speaker: That is the last thing I have in mind.

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COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

Seventh report of Standing Committee on Transport and Communications—Mr. Horner (Crowfoot).

Mr. Speaker: Order, please. This might have been done under presentation of reports but I am sure the House will be pleased to accept the report even on motions.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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TRANSPORT

TABLING OF THIRD REPORT OF FEDERAL-PROVINCIAL COMMITTEE ON ATLANTIC REGION TRANSPORTATION

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, pursuant to Standing Order 41(2) I am tabling two copies in both official languages of the third report of the federal-provincial committee on Atlantic region transportation.

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FOREIGN INVESTMENT

STATEMENT BY MINISTER—TABLING OF PRELIMINARY GUIDELINES

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, during recent months, my departmental officials and I have received a number of inquiries from or on behalf of potential foreign investors asking what steps they should take if they were planning to establish a new business in Canada prior to second proclamation of the act or to acquire a Canadian business prior to first proclamation. Now that the foreign investment review legislation has received Royal Assent, I want to comment on that question.

[Mr. Speaker.]

The Foreign Investment Review Act is to take effect in two separate steps. From the date of the first proclamation, which I hope can be implemented within the next three to four months, the provisions relating to acquisitions of Canadian businesses will apply. After the government has had an opportunity to gain experience in administering the takeover provisions, and has consulted the provinces, the second proclamation relating to new business will be made. Although it is not possible for me, at this time, to state how soon after the first proclamation the second proclamation will occur, this period should obviously be as short as is feasible, taking account of the factors to which I have just referred.

Part of the problem which has been put to me by investors is that, in some cases, they must undertake considerable forward planning, sometimes at considerable cost, before being satisfied that the circumstances in Canada warrant their investment. By the time they are prepared to establish the new business, the second proclamation may have taken place. Similarly, firms now planning to acquire a Canadian business may find that the period required for implementing the acquisition is several months or longer and, before they are ready to conclude their transaction, the first proclamation may have occurred.

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I do not believe that these factors create a serious problem. The Foreign Investment Review Act sets out the criteria for assessing significant benefit. These are known to the investor. Furthermore, it is always possible for potential investors to talk informally with my officials at a fairly early stage in the development of their plans in case any clarification of government policy is required.

Quite apart from the requests which I have received from businessmen that they have the opportunity to talk with the government about their plans during the interim period prior to the proclamations, I, too, am concerned that large new investments could take place prior to the second proclamation, without any opportunity for the government to satisfy itself that the principles in the Foreign Investment Review Act were being adhered to. I am equally aware that acquisitions of Canadian business enterprises could take place between now and the first proclamation without an opportunity for review.

For all these reasons, I want to announce that I have directed my departmental officials to be ready to discuss with potential foreign investors any plans they might have involving large new investments in Canada or involving acquisitions of large or medium-sized Canadian businesses or involving acquisitions of Canadian business in particularly sensitive areas, for example, Canadian businesses in the cultural area or owning an important technology. Indeed, I expect foreign investors making investments in any of the categories to which I have just referred to come forward readily to discuss their plans with my officials before finalizing their transactions, although I recognize that such discussions will be on a voluntary basis.

I would envisage that in the process of discussing these investments with potential investors, I and my officials will be in close contact with provincial counterparts to