

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, it is twice now that I have been interrupted at one o'clock. The last time I was told I did not do as well after the lunch break, perhaps because I am not at my best on a full stomach. I will try to do better today.

Before the lunch break I was referring to certain topics of which I have been made aware since the early part of June during the course of the administration of the act. There are aspects which we want to refer to the committee in the hope of having some indication from them as to ways in which they may be handled better than they have been to date. I do not want to discuss these in any great detail because I believe it is more appropriate for the committee to review them, but I feel it would be worth while to put these on the record at this time.

The administration of the act is something that has been of concern to us, and I will touch on this later when I refer to the administrative review which has just been completed. We are interested in having the most effective, efficient and timely review of the applications that are before the agency. There are other aspects of the administration of the act which will also be, I hope, reviewed by the committee.

The second area of concern which has created some difficulties for us is the whole question of secrecy and the kind of information that, under the terms of the act, we are able to make available to interested parties. We hope this will be discussed. As I stated in the House a few nights ago in response to a question by the hon. member for Vaudreuil (Mr. Herbert), this is a difficult area.

The third area is the extent of the whole review process. As hon. members are aware, I am sure, we have a threshold level for small business applications of \$2 million in asset size and 100 employees in terms of the size of employment of an individual company. We are concerned that the review process is bogging down because of the number of applications that come in that are over this threshold, applications which are fairly straightforward. We want the views of members of the committee as to the degree of concern and attention which we should pay to these small applications.

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The fourth area is the involvement of the provinces in the review process. We believe that this is a very important aspect of the review process, in light of the fact that these investments affect the economic development of the various regions of the country.

The fifth area to which I should like to refer is the whole problem of representations from interested parties in an application under the act. But most importantly in these outside representations, the one which has been giving us the greatest degree of concern is the existence of an alternative Canadian buyer. We will provide for the committee a paper on some of the considerations relating to an alternative Canadian buyer and how this should be addressed in the process of the review. We will look forward to some guidance from the committee in this difficult area.

Foreign Investment Review Act

The final area to which I wish to refer returns to the heart of the act, and that is as to how cabinet should interpret section 2 of the act which outlines what "significant benefit" is. In the cold language of the act, it is difficult for the government, as well as for the agency, to interpret how this should be applied in the administration of the act. We are giving some consideration as to outlining, in a broader manner, how the economic development objectives of the government might be interpreted in relation to the five areas of significant benefit. Again we would welcome any views from the committee.

As Your Honour will recognize, all this involves a very far-reaching review of the statute and its implementation, even though the stated purpose of the act is to be taken as read. We expect that it will take some time. As I said earlier, in the meantime the government is in the final stages of considering certain changes of an administrative nature which we think could result in some limited interim improvements to the process. Some of those changes involve the provinces, and we would wish to consult with them in advance of implementation. But I hope to be able to announce them quite soon.

Of course, they will not in any way prejudice or prejudice the work of the committee. Its mandate is far broader, and they will be entirely free to recommend anything they choose; I should underline that fact. If the committee disagrees in any way with the administrative changes which will have been introduced by that time, we would review very seriously those comments in relation to the administration of the act. The changes which are almost completed should be viewed as only an interim step.

The government hopes that all of those who have an interest in this act and its administration will seize the opportunity to make their views known to the committee once it has been established. In this connection, I wish to make special mention of the highly important role which we believe provincial governments can play in ensuring the effectiveness of the committee by making their views known, either directly or through me, for provincial governments, being closely involved in the actual administration of the act, are in a position to make a unique contribution.

I have one last point. Until the committee has made its report, and until that report has been considered and acted upon by the government and by Parliament if necessary, we shall continue to administer the act to the best of our ability, fully in accordance with its present terms.

Mr. John Evans (Ottawa Centre): Mr. Speaker, it is of great importance to me to speak on this particular topic, and to support the government in this motion to set up a special committee to look into the Foreign Investment Review Act. All of us agree that certainly there is a need to review the act itself, its functions and the manner in which the act carried out the mandate originally handed down in 1973, 1974 and 1975.

But if I am not perceiving wrongly, there is a difference of approach which will come forward during the time this committee is meeting. It will be a difference of approach between