

However, it fails to specify what business activities fall within the rubric of "cultural heritage or national identity." This lapse or oversight was cited by several witnesses appearing before the House of Commons Standing Committee on Regional Development, which reviewed the bill. A more precise definition of the scope of this reserve power would reduce the sphere for cabinet discretion in this regard, and provide potential investors with greater certainty about what constitutes a reviewable transaction. Perhaps the sponsor of the bill could also provide some clarification on this point.

Suggestions have also been made that other areas of the economy should be included in what is known as the reserve review power set out in the bill. In particular, I am thinking of the high technology sector which has been widely favoured as an area for inclusion. Technology is vital to Canada's growth and development. As Science Council chairman, Dr. Stuart Smith, forcefully argued before the House of Commons Standing Committee on Regional Development, the most innovative companies in fields of advanced technology are often relatively small but their small size does not mean that they lack economic significance. Therefore the review thresholds proposed in Bill C-15 would not by themselves ensure that takeovers of significance to the innovative capacity of the Canadian economy would be captured by the screening process.

However, honourable senators, perhaps my biggest concern of all is that Bill C-15, by transferring decision making authority from the full cabinet to a single minister, would leave that minister with too much discretion and arbitrary power without right of appeal. It would substitute the judgment of one minister for the collective judgment of cabinet, and remove as well a formal channel—and I want to underline and emphasize this point—it removes a formal channel through which regional ministers are able to participate in investment decisions and to insert regional concerns into the review process. The reason given for the proposed change is that full cabinet review constitutes a cumbersome and time-consuming process. A compromise suggested by former FIRA commissioner, Gorse Howarth, would be to place decision making power with a cabinet committee specifically formed for that purpose. Given the record size of the present cabinet, I would think that it would not be too difficult to find five ministers, for instance, to sit on a committee to encourage, and indeed enforce, the intent of this very important legislation.

In addition to the advantage of collective judgment and regional input, such an arrangement would also result in greater continuity and consistency in decisions under the new act.

As you know, ministers sometimes change portfolios and, with all of that power vested in one minister, when a new minister is brought into that particular portfolio, for example, that new minister, quite properly, would wish to put his or her own stamp upon the direction that this particular legislation was to take. Therefore the direction established by one minister might be altered significantly by his successor, thus providing for a lack of consistency and continuity. I am not saying

[Senator Graham.]

that new directions and new ideas should be ruled out, but I do believe that a group of ministers, acting together, might help to avoid any resulting confusion.

Finally, honourable senators, I want to make the point again that Canada needs and welcomes foreign investment to help it in its economic development and growth. Bill C-15 is intended to emphasize this fact, while simultaneously making provisions for reviewing significant new investment by non-Canadians to ensure that they are of benefit to Canada. Compared to the existing screening mechanism under the Foreign Investment Review Act, Bill C-15 would reduce substantially the number of investment transactions that are subject to review, and would expedite considerably the review process involved. These changes should make the regulatory process a lesser impediment to inflows of foreign investment. These are the bill's beneficial effects.

On the other side, I am seriously concerned that the bill risks exempting significant investments from review, thereby reducing the government's ability to influence its quality and its direction. It also tends to make the review process less sensitive to regional concerns, and lacks precision in some of its provisions. I hope that the sponsor of the bill, in his wisdom, will be able to address the concerns that I have expressed and, indeed, that the government, as usual, will take very careful note of my recommendations.

I thank honourable senators for their kind attention.

Hon. Richard J. Doyle: Honourable senators, perhaps I should preface my remarks with a piece of information. Approximately ten weeks ago, in anticipation of this very afternoon, I acquired laryngitis and it will not easily go away until this afternoon's work is done. However, laryngitis does produce brevity and it does avoid what Senator Sinclair described as a tendency to be strident. It is very difficult to be strident when your voice will not even rise with the syllables.

I was impressed that both Senators Graham and Sinclair made reference to what I might perhaps call a slogan, that "Canada is open for business." However, I had not read that slogan in the same context as they had. I had read it and included it right on the first page of my notes because, from a variety of correspondence abroad, I had understood that to be the consensus of people who were in the investment industry in Britain, in the United States, in Japan and in other countries and who might have a dollar or two to drop down to meet some Canadian opportunity or some Canadian challenge.

"Open for business:" Not a bad slogan, in a world where the investment business is going through hard times. It is not a question any more of how rigid one can be; it is not a question of how open one can be; it is a question of being there and trying for what is legitimate, right and useful to the Canadian process.

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Being open for business alone will not be enough to meet our needs for new and venturesome investment. The Conference Board of Canada has taken note of the hazards ahead which