

I find I had overlooked proposed section 8(3) of the Foreign Investment Review Act, which does permit, in effect, someone to go to the court before an actual prosecution can be started by the minister. I had also overlooked the definition of "administration" in the bill, as to who is covered under the Federal Court Act. I find that it is defined as "federal board, commission or other tribunal".

So I personally am satisfied with the explanation given by Mr. Gibson, at this point.

The Chairman: You are prepared to give way on the question of section 28 which you mentioned in your speech?

Senator Godfrey: Yes, it deals with appeals only. There is lots of scope in Section 18 to get to the courts. I retract that point, yes.

The Chairman: It deals only with decisions or orders, and under section 18 we would be dealing with recommendations.

Senator Godfrey: *Certiorari* and so on. You could use all those processes just as effectively as an appeal; whether you call it a judicial review, you can really get to the court. So I am satisfied on that point, subject to further points.

The Chairman: That is one score, Mr. Gibson, that you have!

Senator Godfrey: I admit that I am wrong.

Senator Connolly: Don't say that. Just say "I have modified my views."

The Chairman: Are there any other questions?

Senator Buckwold: We have heard Mr. Macdonald here, and I am interested in Mr. Lazar's reactions to the points put forward by the witnesses this morning, insofar as concerns those illustrations which he gave. Are you aware of them, Mr. Lazar?

Mr. H. Lazar, Adviser, Foreign Investment Policy, Department of Industry, Trade and Commerce: Yes, I am, sir.

Senator Buckwold: He dealt with the problems of internal changes in foreign controlled corporations, and with someone buying stock on the New York market, and so on. Would you clarify that a bit?

Mr. Lazar: Mr. Chairman, may I deal with the technical points first? Perhaps we can come to the question of buying stock on the New York market, afterwards.

Thus far we have probably heard, for one reason or another, from several dozen firms in the country. There have been various kinds of questions, for one reason or another, such as: Where does the bill now stand? Would you clarify this? Would you explain that? Thus far we have heard from only one firm that has had clients who appear to be touched by the kinds of technical reorganizations to which Mr. Macdonald was referring.

If I understand the minister's thinking correctly, if he discovers in the course of administering the act that there are difficulties of the kind Mr. Macdonald has described, he would then be in a position to consider whether amendments would be necessary. But thus far we have not had any general representations, if I could put it that

way, from the vast number of legal firms in the country which advise corporate clients.

I might also point out that the amendment which was introduced in the other place was based on recommendations of the Canadian Bar Association, who focussed quite explicitly on the matter of statutory amalgamations.

I am not sure that I can go beyond that. I think there could be circumstances in which there would be reorganizations of a kind described by Mr. Macdonald which could be picked up by the act.

The Chairman: Mr. Lazar, unless the minister decided to give an interpretation under the guideline provisions and to say that in the facts of this case there is not the acquisition of control which the act requires in order to operate—

Mr. Lazar: I know the minister heard your suggestion this morning, Mr. Chairman. I think this is a point he will review. On the face of it, I am not sure that this will be possible under the act, but it is something we will consider. The question involved here is whether the guidelines will go beyond the provisions of the bill itself, and that is something we would want to consider, I think.

The Chairman: You mean, whether there would be any statutory support for it?

Mr. Lazar: That is correct.

The Chairman: Or whether the guidelines would be legislated?

Mr. Lazar: Precisely, sir.

The Chairman: Nevertheless, I should like to get guidelines from the minister when we are dealing with the situation.

Senator Buckwold: Do I interpret you correctly, Mr. Lazar, in saying that if the problems of a technical nature that were raised this morning became significant or were of any serious consequence, regulations would be adopted to meet them?

Mr. Lazar: No, sir. If such difficulties did arise, I have reason to believe the minister would then consider amendments to the act. There is no regulation-making authority under the bill to make regulations of that kind.

Senator Connolly: Of what kind? I am sorry, but I did not hear the senator's question. What is the point, Mr. Lazar?

Mr. Lazar: If I understood Senator Buckwold's question, it was whether I had suggested that, if practical problems arose of the kind Mr. Macdonald referred to, the minister was prepared to introduce regulations. In my reply I indicated that I did not think the bill gave the minister that authority.

Senator Buckwold: But that amendments would be made.

Mr. Lazar: That is my understanding of the minister's position, if practical difficulties arise. I understand that Mr. Macdonald's firm does see some, and I was merely mentioning that thus far his is the only firm which has come forth with such representations. There may be others, but none has come to my attention. I did say that the amendment which was introduced in the other place did follow the recommendations of the Bar Association.