

## Follow-up response from Charles Burton regarding Bill C-34

Dear Senate Standing Committee on Banking Commerce and the Economy,

Here is my follow-up to the requests made to me after my appearance before the Committee on February 15. I also solicited advice from Aaron Wudrick of the Macdonald-Lawrence Institute and Lawrence Herman in his personal capacity:

1. To build a form of fail-safe into the legislation allowing an alternate authority to flag security risks and force a review. I think a Committee report as the trigger is the best option, as they are likely to call security agencies as witnesses. So for example The Committee could propose that C-34 be amended as follows  
"Beginning of review 25.11 The review of an investment under this Part begins on the day on which a) it first comes to the attention of the Minister or b) a Parliamentary Committee releases a report calling for a review."
2. There should be provision under under s.26 (2.31) of the Act so that a Minister has to meet a defined transparency requirement as suggested in the discussion at meeting of February 15. This would be calling for an unusual degree of accountability for a Minister of the Crown, but it is important to have a fail-safe against political factors impacting on national security determinations. I hope the Committee can seek authoritative advice on what mechanism for this would be feasible under a the constraints of a Westminster parliamentary system.
3. All investments which fall under the designations of **(a)** the government of a foreign state, whether federal, state or local, or an agency of such a government; **(b)** an entity that is controlled or influenced, directly or indirectly, by a government or agency referred to in paragraph (a); **(c)** an individual who is acting under the direction of a government or agency referred to in paragraph (a) or who is acting under the influence, directly or indirectly, of such a government or agency; (*entreprise d'État*) should be subject to review regardless of the sector of the investment or the amount of the investment. So any investment associated with China and Russia would fall under this criteria.

I also note Parliamentary review of regulations enacted in support of the Act is already required under Section 35 of the Act.

Respectfully submitted,

Charles Burton