

at the time the Agreement came into force. Third, the Commission proposed that Schedule 2 of the Annex be amended to incorporate the minimum standards for qualifications in each of the professional groups listed in the Schedule. Fourth, the Commission has recommended the addition of more professionals to the current list contained in Schedule 2 where inclusion had been sought by that professional group. Fifth, at the request of members of the journalism profession, the Commission recommended that journalists be removed from the list of professions which qualify for easier temporary entry.

1.11 Chapter 16: Investment

Under the provisions of the Agreement, Canada will raise the threshold for review of U.S. direct acquisitions or takeovers in four stages to \$150 million by January 1, 1992. The threshold for review of indirect investments also rises in stages but will be completely eliminated on January 1, 1992. Data for the first nine months of 1989 show that 44 direct investments fell between the old and new thresholds, with the investments having a total value of \$480 million. Two indirect investments fell between the old and new thresholds, having a value of \$147 million. To put these numbers in perspective, Investment Canada was notified of 561 direct and indirect acquisitions for the first nine months of 1989, for a dollar value of \$17.4 billion. Of these, 122 direct and indirect acquisitions with a book value of \$15.5 billion were reviewed under the Investment Canada Act to ensure that they were likely to be of net value to Canada.

1.12 Chapter 17: Financial Services

The legal undertakings required of Canada by Chapter 17 have been implemented through Bill C-2. Similarly, the U.S. passed appropriate legislation concerning its commitments. Department of Finance officials have met with and written to their U.S. counterparts to start consultations to examine how to further liberalize rules governing financial services trade, as provided for in Article 1704. An answer from the U.S. Treasury is expected in early 1990. There have been no major market developments in financial services resulting from the FTA to date. The continuing open trading regime, which was reinforced by Chapter 17, provides financial institutions from both countries with a positive business environment in which they can develop and expand their activities.