
thresholds for the review of indirect acquisitions of Canadian businesses under FIRA. With the new, higher thresholds, approximately 95 per cent of new business investments and 80 per cent of direct acquisitions will be eligible for consideration under the shortened procedures and will require only the short form notice. That compares with about 92 per cent of new business proposals and 67 per cent of direct acquisitions under the old, lower thresholds. About 80 per cent of indirect acquisitions will qualify for the shortened procedures. This compares with about 45 per cent under the old thresholds. By setting a higher threshold for indirect acquisitions, the government aims to prevent instances of Canadian investment screening procedures acting to complicate unnecessarily investment transactions which are largely concerned with the acquisition of businesses outside Canada.

**Good
investment
opportunities**

In spite of the recent doom and gloom in some of your media, I firmly believe that Canada remains one of the world's better markets in which to invest. As no less a firm than Price Waterhouse has stated in its study *Investment Policies in Seventy-Three Countries*, "there are still relatively few restrictions in Canada if the country is compared to other industrial countries". At the same time, I am convinced that the government's policies correspond to the firm wish of the people of Canada to have a say in the future economic developments of their country.

I do not have to remind you of recent concerns in your country about a degree of foreign penetration much lower than that occurring in Canada. Having lived in a border city all my life, there is no question in my mind that if the manufacturing, mining and oil and gas sectors of your economy were under foreign control to the same extent as they are in Canada, there would be great pressure exerted on your national government to put in place a policy framework of some kind to ensure that the US benefited from new foreign investment.

But this in no way implies that you are against foreign investment. It simply states that you would like to ensure that its activities are consistent with your national goals and objectives. In point of fact, the US currently restricts foreign ownership in a number of areas such as broadcasting, coastal shipping, telecommunications, and nuclear and hydro power. These and similar restrictions exist at the federal and state level and reflect US judgments about what is necessary for economic security and well-being. From the point of view of Canada, with its unusual degree of outside investment, the idea of short-term restrictions is not an altogether academic question.

It is one thing to insist on the right of US companies to invest where they will without restriction or qualification. On the other hand, should the host country be prepared to see its exports come to a halt and employment suffer simply because of the unilateral and extraterritorial assertion of US law by one US Administration which has different political views from another? The recent decision by the US Administration with respect to the Soviet gas pipeline is a good example of the problems that can arise. There are enough uncertainties already without exposing our industries to sudden changes in the foreign policies of other nations.
