

levels of research and development, limitations on their ability to export, a propensity to import even when competitive domestic sources are available, and short, inefficient production runs in some industries. A foreign take-over of an already existing industry can lead to less rather than more competition. And so on.

In 1974, after a decade of study, the government established a Foreign Investment Review Agency (FIRA) whose task is to screen foreign investment for "significant benefit" to Canada. I would add parenthetically that this response is not unique. All governments, including the U.S. Government, limit the freedom of foreigners to invest in their countries in one way or another.

You will notice that for FIRA I used the word "screen" foreign investment, not block it. As of August 1981, after seven years of FIRA the approval rate for applications by American investors was 90.5%. These are hardly grounds for suggesting that American investors have been subjected to harsh treatment.

We have heard the complaints businessmen have made about FIRA and we are reviewing the Agency's procedures to ensure that they are timely and efficient. We shall reform FIRA but we shall not abolish it. It remains an essential instrument of Canadian economic policy. Even now, foreign ownership figures in Canada are at a level which I am sure you will agree would simply not be tolerated in the U.S. For example, according to latest available figures (1978), foreign investment in the United States accounted for 5% of the mining sector and 3% of the manufacturing sector. The comparable Canadian levels are 40% and 48%. The contrast is stark. You will all recall the recent furor here in the United States over foreign ownership of farmland -- and foreigners own less than 1.0% of that land. Not to speak of the commotion caused by Seagram's attempted takeover of CONOCO and St. Joe Minerals last year.

The opportunities ahead in Canada are enormous. From now until the year 2000, \$440 billion will be invested in megaprojects in Canada. Most of that capital will be mobilized in Canada. But we shall still need substantial amounts of capital from abroad. Foreign companies and individuals will continue to do business profitably in Canada. No less a firm than Price Waterhouse has said "...there are still relatively few restrictions in Canada if the country is compared to other industrial countries". And by comparison with other countries, I can think of no more secure place to invest money than Canada.

Let me now turn to the vexed question of energy. In the energy field, the cause of much recent anxiety has been Canada's