

Trade (Continued from P. 5)

tions will of course affect the pace of development of this sector. We are also on schedule with our Canadianization target. Canadian participation has increased about 10 per cent in the sector. The 50 per cent target for 1990 remains and is achievable, but we do not wish to press the pace of Canadianization of foreign energy holdings in the years ahead. It is expected that increases in Canadian ownership will come largely through participation in joint ventures and active involvement of Canadian companies in exploring for and developing new oil and gas resources.

FIRA

The third approach to foreign investment is our system of monitoring or reviewing as embodied in the Foreign Investment Review Agency (FIRA). FIRA and its Australian counterpart are the best known one-stop integrated processes for reviewing foreign investment activities in the world. Most other countries have taken a diffuse approach and have put in place a multiplicity of legislative provisions, regulations and administrative procedures to prohibit, restrict or otherwise control the activities of foreign investors in their territories. Our view is that the integrated approach, while it can be improved, is the better one for us.

Let me give you some facts. Fact one is that the scope of the FIRA process is quite limited. In 1981, proposed direct investment reviewed by FIRA amounted to \$2.6 billion. In the same year, however, the value of Canadian assets held by foreign-owned companies already doing business in Canada increased by \$25 billion primarily due to new investments in current and related business not subject to review. Portfolio investment or non-controlling share ownership, and bonds and debentures issued by Canadian businesses and governments totalled \$10.8 billion in 1981, none of which was subject to FIRA review.

Fact two: FIRA approves the great bulk of foreign investment proposals, over 91 per cent on average over the eight years of FIRA operations.

Fact three: The FIRA process is not arbitrary nor uncertain although the weight given to five factors considered in each case may vary. These factors include: the effect on economic activity, including the use of Canadian inputs and exports; the degree and significance of

participation by Canadians; the effect on productivity, industrial efficiency, technological development and innovation and product variety; the effect on competition; and the compatibility with national industrial policies, taking into account provincial policies.

Fact four: During the past year a number of announcements have been made to streamline FIRA. The processing time on cases has been reduced and the review process expedited through increasing the small business size limits, the issuance of interpretation notes on legal aspects of the Act and formal opinions on reviewability, and the announcement by the responsible minister of the formation of an advisory panel drawn from the private sector....

Canada's stake in the open multilateral trading system is enormous. Approximately 30 per cent of our GNP is generated by trade, which makes our economy one of the most open in the world. This means that our economy is

even less insulated than others from the trends in the world economy and the present crisis has been felt particularly strongly in Canada in terms of high inflation, interest rates and unemployment. The Canadian government, like that of other industrialized nations has been and continues to be under strong pressures to protect its industry and, like others, we have been obliged to take temporary measures to safeguard employment. We have kept such measures to a minimum and have been very active on the international scene in defence of open trade. Indeed, for Canada, economic nationalism in the field of trade, dictates that we maintain a firm commitment to free trade and that we encourage others to adopt the same attitude. It is vitally important for us that our principal trading partners, and, in the first instance, the United States of America, maintain their markets open for our exports in the same way as we are determined to maintain our market open to their exports....

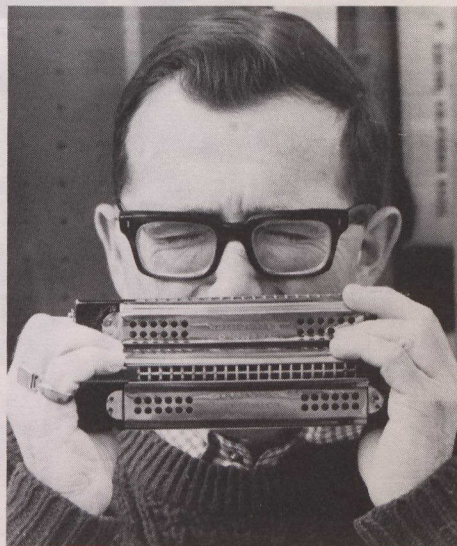


News briefs

Two high-technology trade missions organized by the Ontario Ministry of Industry and Trade recently visited the United States. Eight Ontario manufacturers of aerospace electronics components participated in aerospace industry shows in three Texas cities — Dallas, Fort Worth and Austin. Meanwhile, seven Ontario electronics component manufacturers visited Phoenix and San Francisco to meet with potential buyers.

Minister of State for International Trade Gerald Regan announced recently that the Export Development Corporation has signed four financing agreements totalling \$4.3 million (US) to support sales of Canadian goods and services to Hungary, Indonesia and Venezuela.

Canadian Cliff Thorburn said he was in a dream world after recording the first maximum 147 break ever made at the recent world professional snooker championships, held in Sheffield, England. Thorburn earned \$26 000 for his magnificent feat by potting 15 reds, 15 blacks and all the colours. The achievement came in the fourth frame of Thorburn's second-round match against Terry Griffiths of Wales.



The Citizen

Ron Jones shows intensity as he belts out a tune on his four-sided harmonica in the Byward Market in Ottawa.

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