

The effects of the high degree of foreign participation in the Canadian economy have long been the subject of national debate in Canada. A result of this historical process was the establishment of the Foreign Investment Review Agency (FIRA) in 1974. The US private sector and, more recently, the US government have expressed concern about certain aspects of its operations. Bilateral discussion has taken place within the context of the GATT and the two parties have agreed to the examination of certain FIRA practices by a GATT panel. Canada has been and remains open to discussion and explanation of its policies. However, the reasons behind the Canadian approach are fundamental - a level of foreign ownership and control in its economy which is unique among industrialized countries and a need to ensure that foreign investment brings significant benefit to the Canadian economy.

Although foreign investment levels in the USA are very modest in comparison to Canada's, the USA has itself taken measures to restrict it in certain key sectors of the economy such as coastal shipping, aviation, broadcasting, telephones and telecommunications and nuclear and hydro-power generating facilities. Many states have restrictions on foreign investment in specific sectors. Apart from outright prohibitions, the USA also has indirect controls on foreign investment, including anti-trust laws, Congressional lobbying and monitoring by such bodies as the Committee on Foreign Investment in the United States.

Energy

Energy issues continue to be an important focus of national and international attention and to figure prominently in Canada-USA relations. While both countries are pursuing their respective domestic programs, there is a continuous process of consultation and co-operation in areas of mutual benefit.

The Canadian government's basic energy policy is set out in its National Energy Program (NEP) of 1980, which is designed to restructure Canada's energy system. The goals are: to be self-sufficient in oil by 1990; achieve an equitable sharing of energy benefits and burdens among Canadians; obtain a higher level of Canadian ownership and control of the energy sector; expand the role of the public sector in oil and gas; and ensure greater industrial benefits from energy