

meantime measures are being taken to provide greater clarity in interpreting the Act and to simplify internal decision making procedures. These include raising the threshold for review of small businesses from \$2 million and 100 employees, to \$5 million and 200 employees, for new investment or direct acquisition in Canada; and to \$15 million and 600 employees for indirect acquisitions when a foreign controlled Canadian company is acquired in the course of the merger of its parent with another foreign controlled company. This will mean that 80% of such cases will be eligible for the shortened procedures as opposed to 45% before. These changes are already having an effect: more cases are being processed more expeditiously.

The Canadian Government does not, nor does it wish, to discourage foreign investment. We recognize that we have a country to build and that foreign capital has major role to play in building it.

The energy sector is no exception. What we are trying to do in that highly foreign controlled sector, is to increase Canadian participation relative to foreign participation.

However, it is important to underline the fact that, not only is foreign capital welcomed in Canada's energy sector, it continues to be encouraged by the prospect of attractive returns based on a generous incentive system and, some extremely favourable prospects for major new supply developments.

We hope that with time and careful reflection Americans will realize that the inter-related general problems we are trying to solve (security of supply, the distribution of windfall profits and foreign ownership in an important industry) are problems which the U.S. has in common with us, to varying extents. We also hope that Americans will realize that Canada's chosen policy in pursuit of its own interests is legitimate and that most assuredly, the N.E.P. was crafted with great concern on our part that the important energy trade, investment and technology flows between the two countries in particular, and the bilateral relationship in general, not be harmed.

The need for an aggressive energy supply development policy is fundamental to our desire to expand our capacity to supply energy to the domestic market over the long term. However, we also have a long-standing policy to export energy surplus to domestic needs.

The major opportunities in the years ahead for mutually advantageous new energy trade between Canada and the U.S. and in particular with New England, are in electricity and natural gas.