

The question to be answered in the screening process is not a legal one at all; it's basically an economic one -- with social and political considerations.

Two ways of doing it were left -- screening by a board or commission, or by a department. In both cases, the Minister and Government are "responsible", with different degree of autonomy for the instrument. We compromised -- there will be an office of takeovers in the department, with a "registrar" leading it.

The office will use the knowledge and judgment of the nine specialized branches of Industry, Trade and Commerce and of other departments, Energy, Mines and Resources, Finance, etc. Had we set up a semi-independent commission, it would have had to create another centre of competence, bringing about costly and unnecessary duplication.

Why not More than Takeovers?

Why not extend the screening process to all forms of foreign investment, for example?

It was not judged to be politically practical and economically realistic -- in principle by some, or at this time by others.

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There was also the problem of administration. The complexities of screening 150 cases a year for "significant benefits" should be easy to imagine.

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And there is no single way to increase the control by Canadians on their economy; just a few weeks ago, for example, my Department announced support for management training and for export marketing which will be used mostly by Canadian-owned firms.

How Important is the Decision to Screen Takeovers?

It has been observed that takeovers represent a fairly small portion of foreign investment, between 5 and 20 per cent, only, annually.

I suggest that the establishment of the principle and of the apparatus for the screening of takeovers is a major development. The "standards" applicable to the screening of takeovers will sooner or later influence all foreign ownership. I call that the "exemplary value" of the new system.

Some have argued that the takeover law means little, because foreign firms can still enter the country directly and run a Canadian company