

- (1) acquisitions of control of Canadian businesses by foreigners;
- (2) investments from abroad to set up new businesses; and
- (3) expansion of existing foreign-controlled firms into unrelated businesses.

The first part of the Act, concerning foreign acquisitions or takeovers, came into effect in April 1974. The other provisions, dealing with the establishment of new foreign-controlled businesses and expansion of existing foreign-controlled firms into unrelated business, have not yet been brought into effect. It may be noted that the powers and interests of the provincial governments are a factor of importance in this context.

The test that any foreign investment faces is whether it is, in the judgment of the Government, likely to be of significant benefit to Canada. The assessment is made on the basis of five criteria:

- (1) the impact on economic activity, including such factors as employment, the processing of Canadian resources, and the development of exports;
- (2) the degree and significance of Canadian participation in ownership and management;
- (3) the effect on productivity, efficiency, and technological development;
- (4) the effect on competition; and
- (5) the compatibility with national and provincial industrial and economic policies.

These criteria indicate that the Government is seeking to encourage improved economic performance. That is the main thrust of the review process.

Each case is reviewed on its own merits, every effort being made to be fair and reasonable to the potential investor. The record on the handling of applications supports this view.

Since the coming into force of the Act in April 1974, 121 certified takeover applications have been considered. Of this