

To our mind, the dispute settlement procedures are one of the most important aspects of the General Agreement. This would seem to be confirmed by the increasing use which is being made of them. Some have dismissed this as unnecessarily bureaucratic. Yet much of it arises from the variety of problems with which trading nations are faced these days and it is surely preferable to make use of established procedures rather than to take independent and sometimes irresponsible action. Many of the questions currently at issue between the United States and Canada are being dealt with in G.A.T.T., not the least of which is the U.S. complaint against certain practices of our Foreign Investment Review Agency.

On the topic of F.I.R.A., the Government's objective remains to ensure that through the Foreign Investment Review Act the foreign-controlled corporations serve the Canadian interest by contributing fully to the development of an innovative and internationally competitive industrial structure which provides the greatest benefit for all, including investors both domestic and foreign. I think that it is clear that the Canadian Government has responded to many of the concerns expressed by foreign investors and others about aspects of the F.I.R.A. process.

As a result of the recent budget there have been some changes made to the administrative procedure in an effort to make that process more timely and efficient. Some of these changes include the establishment of new thresholds under the small business procedures for new investment and direct acquisitions in Canada, and even higher thresholds for the review of indirect acquisitions of Canadian businesses under F.I.R.A. With the new, higher thresholds, approximately 95% of new business investments and 80% of direct acquisitions will be eligible for consideration under the shortened procedures and will require only the short form notice. That compares with about 92% of new business proposals and 67% of direct acquisitions under the old, lower thresholds. About 80% of indirect acquisitions will qualify for the shortened procedures. This compares with about 45% under the old thresholds. By setting a higher threshold for indirect acquisitions, the Government aims to prevent instances of Canadian investment screening procedures acting to complicate unnecessarily investment transactions which are largely concerned with the acquisition of businesses outside Canada.