- U.S. firms located only in the U.S., and
- Canadian firms operating only in Canada.

The timing of the positive investment "shock" is also important. Will most of the effect occur early on with little later, or not? Can the distribution be determined?

Foreign Financial Investment

To date, there have been no third-party complaints about U.S. investment advantages, and only one U.S. investment in the threshold area where the FTA was specifically mentioned.

The desirability of a list of mergers and acquisitions was mentioned several times. Case studies and surveys of planners and CEO opinions was suggested. Others think that case studies focused on an individual firm will tell nothing; they suggest a focus on industry sectors.

With the increased sensitivity to Japanese investment in the U.S., and with the improved access to the U.S. market in Canada, there should be some disproportionate benefit to Canada as a location for Japanese investment. This could well end up with a dilution of American dominance as a foreign investor in Canada (an irony for anti-American fears, but still a "nationalist" concern).

There are some indications of a change in awareness about Canada within the U.S. with "chamber of commerce" missions coming to Canada to attract Canadian investment into the U.S. Some indications that the Toronto "hot-house" is spilling over into benefits for Buffalo rather than investors going to Montreal, etc. A tracking of the success of this activity might be useful to compare with Canadian efforts to attract U.S. firms into Canada. The issue here, however, is whether the FTA has improved U.S. security of market access into Canada.

3.3.3 Data Support Systems -

Statistics Canada surveys some 28,000 establishments twice a year, regarding their investment intentions. (The results are published in **Private and Public Investment in Canada**, Catalogue 61-205 and 61-206, with further details provided in **Capital and Repair Expenditures - Manufacturing Sub-industries**, Catalogue 61-214.) The first survey is conducted near the beginning of the year (November through early February) and the second survey in the middle of the year (May through early July). The second survey is usually referred to as the "Revised Intentions".

Industry, Science and Technology Canada (ISTC) is planning a survey of large corporations in Spring 1990, including a particular focus on the impact of the FTA on their level of investment in Canada, the U.S., and elsewhere. Reasons for the change will be requested, along with a question about the effect of the FTA on their competitiveness.