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# CANADA

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Of all political issues in Canada today, perhaps the most pervasive is the Canadian identity and how it should be shaped by Canadians. Elections are fought around it. Articles—in fact whole issues of magazines—are published on it. The bulk of this issue turns out to deal with several aspects of it. The article below and the interview with the Prime Minister on page twelve are on the economic side of it. The article on page four is about a search for a Canadian constitution which, while not new in itself, is nonetheless a reflection of the new national awareness. And a major theme of the report on mass media (page six) is about the Canadian-ness of the press, or the lack of it.

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## Foreign Ownership in Canada

A MAJOR ISSUE—one that goes to the heart of innumerable political, economic, and cultural debates—is the extent of ownership of Canadian resources and business by non-Canadians, and what to do about it.

For the past year this has been the subject of an intensive Government study, now nearing the final stages of preparation. The study is being made by a "working group" headed by Minister of National Revenue Herb Gray. When its report goes to the Cabinet for consideration, it may form the basis of a policy paper with legislative recommendations for meeting what Prime Minister Trudeau has called "the whole problem of foreign investment."

There have been questions in Parliament and the press as to when a Government position will be advanced and what it will be. Both Mr. Gray and Prime Minister Trudeau have said they are not yet in a position to say. However, last April Mr. Gray made a speech at the Osgoode Hall Law School in Toronto, outlining some of the circumstances which led to the creation of the working group. The speech, Mr. Gray said, should not be taken as a preview of what will be recommended. It should, though, be useful in understanding both the concern being expressed and any policy proposals that may emerge.

At that time Mr. Gray said that direct foreign investment in Canada has brought benefits, "but it has also meant, and can increasingly mean, what amounts to limitations on our ability to make our own decisions on our present and future development. This has come about," he said, "without a clear understanding or recognition of what all the implications were or could be. It could be said that until recently, at least, there was no widespread conviction that this country's degree of reliance on capital abroad was not the appropriate course for Canada. And it has not been unusual to hear some Canadians, at least, say that while they wished we owned more of our economy, we simply didn't have the large pools of risk capital needed and, since we didn't wish to have lower standards of living, things would have to continue much as they were with foreigners owning more and more of the economy, and they went on to say that it probably didn't have any real meaning for our independence anyway.

"The assumptions underlining thinking of that kind are now being increasingly questioned.

"The concern," he said, "appears to be based on doubts about Canada's future as a sovereign nation with so large a part of our economy control-

