

# THE 54TH FLOOR

The degree of foreign ownership and control of economic activity is already substantially higher in Canada than in any other industrialized country and is continuing to increase. Nearly sixty per cent of manufacturing in Canada is foreign controlled and in some manufacturing industries such as petroleum and rubber products foreign control exceeds ninety per cent. Sixty-five per cent of Canadian mining and smelting is controlled from abroad. Approximately eighty per cent of foreign control over Canadian manufacturing and natural resource industries rests in the United States. In terms of total national wealth, the proportion controlled by non-residents may be of the order of ten per cent. But about one-third of total business activity in Canada is undertaken by foreign-controlled enterprises.

—From the Introduction to the Herb Gray Report

*These words from the report on Foreign Direct Investment in Canada reduced to cold print what many Canadians had long suspected. The report nevertheless caused a mild sensation when it appeared in an abridged, unauthorized form in Canadian Forum magazine last December. The full-length official version appeared early this year. We reprint herewith Chapter 17 of the report. Titled The Impact of Foreign Control of Canadian Business on Canadian Culture and Society, it deals with the aspect of the issue that causes the ordinary Canadian most disquiet.*

## Introduction

**T**HIS chapter examines the impact of the high degree of foreign control of Canadian business on Canadian culture and society. It begins with a consideration of cultural attitudes in Canada which have facilitated foreign direct investment. It goes on to consi-

der the impact of foreign direct investment on the cultural and social environment. It concludes that there is a high degree of interaction between the above two factors. At the same time, however, the presence of large volumes of foreign investment concentrated in United States hands increases the difficulty of developing a distinctive Canadian culture. This has potentially serious implications because the economic and political strength of a country lie largely in the creation of a cultural, social and political milieu which favours indigenous initiative and innovation.

In assessing the impact of very heavy foreign and, in particular, United States corporate investment on Canadian culture, it must be frankly admitted that this is a subject on which views are bound to vary widely. Means are not available for simple quantitative assessments, and any qualitative efforts to make an "objective" evaluation are bound to reflect the arbitrariness of the ideological

and sociological assumptions of such a study.

Before proceeding further, it is important to clarify the term "culture." Culture is not simply the arts, architecture, films, books,

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*In the spring of 1970, the Honourable Herb Gray, P.C., M.P., was given the responsibility of bringing forward proposals on foreign investment policy for the consideration of the government ...This document...is being published to help public understanding and discussion of the matter. The document, while being published under the authority of the Government of Canada, is not a statement of government policy nor should it be assumed that the government endorses all aspects of the analysis contained in it.*

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sculpture and paintings of a nation. Culture is the historically developed values and patterns of behaviour covering the whole range of human activity. Quite