

would, of course, begin to test the effect of substantial United States control over our industries. Would we be able to strike out independently and make it stick? Would the fact of extensive United States control over our industry make any difference in how such differences were resolved? I don't know the answer; nobody does.

I believe that it should be possible to find solutions which will avoid any further political risks, while at the same time enabling us to enjoy in good measure the formidable economic advantages which flow from the participation of foreign enterprise in our economy.

This leads me to the final section of my remarks. What can we, what should we, do about this problem? It would not be right for me to recommend specific policies from a public platform of this kind. I would, however, like to review briefly policies and measures which have already been adopted in this field - and to say a few words about the broad approach, the framework, in which we might look for possible solutions.

A concern about the extent of foreign control of Canadian business enterprises is shared by all the political parties occupying the Canadian political arena today. While there may be considerable difference as to how to deal with the problem, it is noteworthy that the last two administrations - though of opposing political complexion - have each introduced legislative measures designed to slow down the extension of foreign control of Canadian enterprise. Apart from formal action, the moral suasion that both administrations have sought to apply has reflected what is virtually a multi-partisan philosophical approach to this issue. A good deal of the factual basis and the conceptual framework for these policies have been drawn from the 1957 Report of the Royal Commission on Canada's Economic Prospects.

The Conservative administration under John Diefenbaker took several important steps in this field and foreshadowed others. Legislation was passed in the period 1957-1963 to keep life-insurance companies under the control of Canadian directors, to confine oil, gas and mining development in the territories under federal jurisdiction to interests controlled in Canada. The Income Tax Act was amended to remove the differential on withholding tax which, unintentionally, favoured wholly-owned and majority-owned subsidiaries and also branch plants. The Corporations and Labour Unions Returns Act was introduced to extend the reporting requirements of all corporations above a minimum size operating in Canada. Legislation was passed to ensure that radio and television broadcasting in Canada would have a minimum Canadian content; and that broadcasting stations would remain under Canadian control. (I am not sure when the Canadian Football Association regulated the number of United States imports that could play on Canadian professional football teams.) Legislation was introduced but not enacted at the time that the Administration changed to prevent the further establishment in Canada of foreign-controlled general consumer magazines.