

wholesale banks. Ministerial approval is required for additional deposit-taking branches, but representative offices may be opened at will. (At least half the directors of a foreign bank subsidiary must be Canadian citizens, and the foreign-owned banking sector is limited in the aggregate to 8 percent of all banks' total domestic assets. Foreign controlled banks have broadly the same business powers as domestically-controlled ones.) Since passage of this legislation, 57 new foreign-owned banks with total assets of some \$18 billion have received their charters.

The restrictions in the communications sector are based on the development of a distinctive independent Canadian cultural output. Since 1971 the Canadian Radio Television and Telecommunications Commission has issued broadcasting licenses only to companies 80% owned by Canadians. The CRTC also requires broadcasters to devote specified proportions of their programme schedule to Canadian programming. Canadian advertisers may only deduct their domestic advertising expenses for tax purposes when using Canadian media to reach Canadian markets. Programs have been introduced to encourage the Canadian film and publishing industries, to make sure that Canadians, along with the wide choice of foreign cultural products available to them, also have access to those of Canadian intellectuals and artists.

I mentioned earlier that special circumstances dictate different sectoral or legislative limitations in various countries. Canada's special circumstance in the communications field arises from our geographical location and linguistic pattern with our population of 24.7 million scattered along more than 3000 miles of the border with a southern neighbour that uses English - one of our two official languages. We have awesome problems in maintaining a distinct culture; in developing our own literature; or supporting our own artists. Obviously, this sort of problem does not exist for Australia to the same extent because of the factor of distance.

The third and most controversial key sector is the oil and gas industry. The principal objective of the National Energy Programme is to ensure energy security for Canadians. Achievement of this objective requires that more of our oil and gas industry be controlled by Canadian interests, and that there be appropriate participation by the national government, on behalf of the Canadian people in the future development of that industry. Between 1975 and 1979, the Canadian oil and gas industry generated net outflows of capital totalling \$3.8 billion - \$2.1 billion in direct capital and \$1.6 billion in dividend and interest payments. The outflow took place at a time when enormous