

Investment climate (Cont'd from P. 2)

differentials: it is also a vote of confidence in the economic future of Canada. Foreign investors know that most of the proceeds from the sale of bonds are used to finance public and private investment in Canada. Industrial expansion projects, provincial energy projects and municipal public works generate orders for industry, jobs for people, and additional wealth for Canada.

Foreign direct investment has provided much needed capital; in general, we need far more financial resources than are available domestically. Such investment plays a very important role in the renewal and expansion of the capital stock of Canada. The size and quality of this stock is a key determinant of our future economic prosperity. That is why the Government of Canada explicitly rejected, some years ago, the demands of some Canadians for drastic curbs on foreign investment. Instead, we created the Foreign Investment Review Agency (FIRA), to maximize the benefits arising from foreign investment in Canada.

From the inception of FIRA until the end of last year, the Government dealt with 954 applications for takeovers and 786 of these were allowed. Of the 797 proposals for establishments of new businesses, 685 were allowed. By emphasizing the need for foreign investment to bring significant benefit to Canada, I think that the review process has been beneficial. It has improved the quality of foreign investment and has contributed to the creation of new jobs and new technology which would otherwise not have occurred.

I can state categorically that the Government of Canada welcomes foreign investment.

When I was Minister of Industry, Trade and Commerce, I acted to streamline the

operation of the Foreign Investment Review Agency. I am happy to tell you that 75 per cent of the proposals are now decided within 15 days and most of the rest, mainly the larger and more complex ones, within 90 days. The search for more efficient administration will be an on-going one.

Finally, proposals for new banking legislation, now under consideration by Parliament, would allow foreign banks to participate in the Canadian market with

essentially the same banking powers as are available to Canadian banks. The proposed legislation seeks to provide for equitable and effective competition between Canadian and foreign-owned banking institutions. Certain restrictions are being proposed, however, to ensure that foreign banks' activities will be of benefit to Canada and that control over the financial system remains predominantly in Canadian hands.

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News briefs

W.A.C. Bennett, Social Credit premier of British Columbia from 1952 to 1972, died recently at the age of 79. Described by the press as a man of paradox, Mr. Bennett, a promoter of free enterprise, also introduced public ownership of railway and ferry services and hydro development in the province. Wary of the "socialist hordes", he was defeated in 1972 by the New Democratic party, but was vindicated three years later when his son Bill, who replaced him as Social Credit leader, became B.C. premier.

David MacDonald Stewart of Montreal has purchased a piece of Canadian history in France — the house seven miles from St. Malo where Jacques Cartier lived before he sailed west to discover Canada in 1534. Cartier died in the house, which Mr. MacDonald hopes to convert to a museum, in 1557. It's reputedly the only house left in Europe that belonged to a major explorer in the New World.

A full public inquiry into an explosion that killed ten miners and injured six others at Glace Bay, Nova Scotia on February 24, may be ordered by the Federal Government. An initial study by a 29-member team made up of management and federal Labour Department officials failed to find the cause of the explosion at the coal mine.

The average price of a new house sold in January was 3.3 percent higher than it was one year ago, Statistics Canada reports. However, prices were down 0.2 percent from their December average.

Granduc Mines Limited of Vancouver has reached agreement with Esso Minerals Canada Limited, a subsidiary of Imperial Oil Limited of Toronto, for Esso to acquire and operate Granduc's copper property at Stewart, British Columbia.

The purchase price and associated costs are expected to be about \$20 million.

The nineteenth Saskatchewan Legislature opened on February 22. Highlights of the Speech from the Throne include a human rights code that will consolidate human rights legislation; a new department of intergovernmental affairs; expanded revenue sharing with municipalities; assistance for business and industries serving resource development companies, and a farm fuel rebate program offering a maximum of \$300 a year for 1978 and 1979 to farmers.

The Export Development Corporation has approved loans, surety and export credits totalling \$284 million to support export sales to Abu Dhabi, Algeria, Cameroon, Greece, Jordan and Nigeria. Canadian companies' potential sales are \$391.1 million.

The National Energy Board has approved an oil swap involving 700,000 barrels between Golden Eagle Canada Limited of Montreal and Exxon Corporation of New York.

The Manitoba Legislature opened on February 15 and the Speech from the Throne proposed new programs to improve health care and social services. The provincial government also plans to issue a white paper in the next few months containing recommendations to "rationalize" various tax rebate programs.

Dr. Peter Potichnyj, a professor of political science with Hamilton's McMaster University, has been invited by the Chinese People's Association for Friendship with Foreign Countries to go to the People's Republic of China for a three-week academic visit in May. He will give a number of lectures and seminars during his visit to some of China's major centres, including Peking, Shanghai, Sian, Canton and Kweilin.

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