

3.06 *Financial Institutions* The Bank Act stipulates that at least three-quarters of the directors of a chartered bank must be Canadian citizens ordinarily resident in Canada. The Act limits the proportion of shares of a bank that can be held by non-residents to 25% and provides that no one person may hold more than 10% of the shares. Somewhat similar provisions apply to federally incorporated life insurance companies. One of the purposes of Bill C-179, now before Parliament is to apply to investment companies limitations rather similar to those applicable to the banks. No such regulations apply to federal insurance companies (other than life companies), mutual funds, money market dealers or provincially incorporated insurance, trust or loan companies.

Canadian financial institutions are mainly Canadian owned and in part this may be due to the protective regulations above summarized.

3.07 *Transportation* A large segment of Canada's transportation is protected from American influence by public ownership of Canadian National Railways and Air Canada.

There appear to be no legal provisions forbidding the takeover of vital Canadian transport enterprises by American interests. However, such transportation industries are closely regulated under the authority of the National Transportation Act.

Air carriers are also regulated under the Aeronautics Act: Sections 13 and 15 of that Act restrict licensing, mergers or transfers. Similarly Section 204 (2) of the Air Regulations require that to be the registered owner of a Canadian aircraft, a corporation must have at least two-thirds of its directors Canadian citizens.

Again, the Canadian transportation industry is overwhelmingly Canadian owned with the exception of oil and gas pipelines which are regulated under the National Energy Board Act.

3.08 *Communications* A rather complete system of public ownership and regulation prevents undue foreign ownership or control of the Canadian communications industry.

The Canadian Broadcasting Corporation is a crown corporation. Section 2(b) of the Broadcasting Act declares that;

"The Canadian broadcasting system should be effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada."

Pursuant to this provision, the law on radio and television ownership requires that enterprises receiving new or renewed licences must be at least 80% Canadian owned; i.e. 80% of all shares must be owned by one or more Canadians and all directors must be Canadian citizens.

The Act also established a regulatory authority, the Canadian Radio-Television Commission—with complete authority over the licensing operations of radio and T.V. stations including cable T.V.