"We cannot live as a province or as a nation unto ourselves". He added, "We must be involved in the total world community; Ontario cannot act in isolation." So it appears that Premier Davis, in what I believe to be one of the richest provinces in Canada, thinks that we have to be careful even there in terms of controls on foreign investment.

Premier Schreyer of Manitoba indicated that he considered the proposal for a review board to be a positive one. He said that provided it does not get too bureaucratic, it can only help and cannot do any harm.

An hon. Member: Go on, finish it.

Mr. Cafik: Premier Allan Blakeney in Saskatchewan has taken a different stance and as far as I can see from his statements has indicated that he would like to see a stronger stand taken in respect of foreign control.

Some hon. Members: Hear, hear!

Mr. Cafik: In Alberta, the Minister of Industry, Mr. Peacock, has said that he does not oppose Ottawa's examination of foreign investment as long as the federal government does not hamper the province's access to new capital. As far as British Columbia is concerned I really could not give a report. They do not seem to have made any statement in this regard.

Mr. Paproski: We are just a new Conservative government there. Give us a little time.

Mr. Cafik: I should like to talk for a moment about the present components of foreign investment policy. To deal first with banking institutions, in 1967 the Bank Act was amended to ensure that banks would be 75 per cent Canadian controlled. No person or group, foreign or Canadian, may hold more than 10 per cent of a bank's voting shares. One foreign-controlled bank in Canada at that time, the Mercantile Bank, was not permitted to grow above a certain size without government permission regarding ownership requirements.

In the insurance, loan, trust and sales financing fields, seven years ago the government introduced amendments to the Loan Companies Act, the Trust Companies Act and the Canadian and British Insurance Companies Act to prevent foreign investment takeovers of federally incorporated companies covered by the legislation. The proportion of shares which non-residents could hold was limited to 25 per cent and no single foreigner could hold more than 10 per cent. The law was not made retroactive, but existing foreign-owned holdings above 25 per cent were not allowed to increase.

Last year, in 1971, the Investment Companies Act was amended to prevent further foreign acquisition of sales finance firms covered by the act. The federal law covering these financial institutions does not cover the establishment of new firms, nor does it cover provincially incorporated firms although at least one province, Ontario, has enacted legislation which parallels that of the federal government.

The government has acted to limit foreign ownership in the case of Telesat Canada. Legislation requires that ownership shall be divided between the federal government

[Mr. Cafik.]

and its agents, approved telecommunications carriers and other Canadian citizens and, apart from their holdings, not more than 20 per cent of Telesat's outstanding shares may be held by non-residents. In the field of uranium the government has adopted a policy whereby ownership by non-residents of voting shares in Canadian uranium producing properties will be limited.

In the oil, gas and mining fields, although not a major restriction on foreign control of Canadian investments in these industries, steps have been taken applying to oil, gas and mining leases in the north and offshore. This already covers oil and gas leases in the Yukon, the Northwest Territories and offshore and mining leases in the Northwest Territories and offshore. A current bill would extend coverage of mining leases to the Yukon as well.

The Canadian participation provisions of the Canada oil and gas land regulations, the Canada mining regulations pursuant to the Territorial Lands Act, the Public Lands Grants Act and the Yukon minerals bill restrict leases to Canadian citizens, to corporations which are 50 per cent beneficially owned by Canadians or to companies whose shares are listed on a recognized Canadian stock exchange and in which Canadians have a chance to participate in the ownership and financing. Federal government investment, in partnership with private interests in Panarctic, has helped ensure a significant Canadian element in the development of the oil industry in Canada's north.

In the broadcasting field, under regulations pursuant to the Broadcasting Act foreign-controlled firms holding broadcasting licences are being required to sell to Canadian citizens or to eligible Canadian corporations. To be eligible, the corporation must be incorporated in Canada, the chairman and directors must be Canadian citizens and at least 80 per cent of the voting shares and shares representing in aggregate at least four-fifths of the shares of the paid-up capital must be beneficially owned by Canadian citizens or Canadian-controlled corporations. In addition, regulations respecting Canadian program content are also in force.

In the field of newspapers and periodicals, seven years ago in 1965 amendments introduced to the Income Tax Act provided that firms may not deduct as a business expense the cost of advertising directed primarily at the Canadian market in non-Canadian magazines or periodicals. Exemptions were made for foreign-controlled publications already operating in Canada, notably *Time* and *Reader's Digest*. An amendment to the Customs tariff had the effect of prohibiting entering of non-Canadian periodicals containing advertising directed at the Canadian market.

A word about the Canada Development Corporation which I think is one of the components of a Canadian ownership policy. The CDC was established to help develop and maintain strong Canadian-controlled and Canadian-managed firms in the private sector of the economy and to give Canadians greater opportunities to invest and participate in the economic development of Canada. It is expected to invest in enterprises in which it expects have a substantial holding of shares carrying voting rights and in which the total value of shareholders equity would