

1972

A View from the North

A. R. Thomson

Follow this and additional works at: <https://scholarlycommons.law.case.edu/jil>

 Part of the [International Law Commons](#)

Recommended Citation

A. R. Thomson, *A View from the North*, 5 Case W. Res. J. Int'l L. 52 (1972)
Available at: <https://scholarlycommons.law.case.edu/jil/vol5/iss1/5>

This Article is brought to you for free and open access by the Student Journals at Case Western Reserve University School of Law Scholarly Commons. It has been accepted for inclusion in Case Western Reserve Journal of International Law by an authorized administrator of Case Western Reserve University School of Law Scholarly Commons.

A View From the North

A. R. Thompson*

Whether or not the future for Canadian energy resources is many splendored, it is certainly many faceted — so much so that one is forced to adopt an impressionistic approach rather than to attempt a comprehensive analysis of future trends. Besides, who's to say that an impressionistic approach will not produce more substantial insights than a marshalling of facts and figures and an unravelling of concepts and theories.

My first impression, on being informed of the topic, was that rapid development of Canadian energy resources is an assumed goal. Either Canada has the splendid possibility of world-wide buyers seeking its energy resources at ever-increasing prices, or Canada faces Hobson's choice. Either it pleads for entry to United States markets or suffers the waste of idle resources left undeveloped just as did the timid and unresourceful son who earned his father's displeasure in the biblical parable by husbanding his talent unused and unspent.

Should I accept this assumption? I'd be in respectable company. Canada's new Minister of Energy, Mines & Resources, Donald Macdonald, when briefing Parliament as to the policies he will pursue in his new post, said the government will continue to bargain hard for access to U.S. markets for Canadian resources. He further declared that "[w]e are moving closer to the goal of full and unimpeded access to United States markets for oil and gas produced in Canada which is clearly surplus to domestic security and commercial requirements."¹

But I am to speak about the future — current political leaders come and go, and their policies can be even more ephemeral, so I conceive my responsibility to be to discern future trends whether or not they coincide with current policy statements of government.

Where might I find my crystal ball? In Canada, the Prime Minister and the majority of his cabinet colleagues (including Mr. Macdonald) have law degrees. Lawyers constitute by far the largest single occupational group in Parliament. Law students at my university are fairly representative of Canadian law students as a whole. A sampling of law student opinions could provide my crystal ball.

* Professor at Law, University of British Columbia School of Law, Vancouver, British Columbia.

¹ *Vancouver Sun* (Vancouver), February 25, 1972, p. 7.

The results of such a sampling is contained in the Appendix. What do current opinions and attitudes of Canada's future political leaders tell about the future of Canadian energy resource developments?

If we first ask what Canadian resource development policy *ought* to be, three-quarters of these future leaders believe that the highest possible rate of development ought *not* to be the primary Canadian goal.² At the outset, then, our barometer gives a reading completely contrary to the basic assumption underlying the topic before this panel — and contrary to current Canadian policy.³ These future leaders would also give primacy to restricting foreign ownership and control of these resources. They therefore elevate the values of environmental protection and of national control of resource development over the value of rapid growth in the rate of such development.

These are radical turnabouts from the values of a Canadian Society which throughout its history until now, has enshrined development and rapid growth in the GNP as foremost among national aspirations.

Section III of the questionnaire report shows that the sample group is not responding from ignorance. Rather the group scored well in terms of knowledge of facts and policies currently prevailing in Canada respecting resource development and foreign ownership.

Are these future political leaders responding from a short-lived idealism that will quickly evaporate once they leave the university and enter the hard world of business? Such an analysis would be too glib. Examining the students' answers as to what the future policies in Canada *will* be (rather than what they *should* be), one finds a strong skepticism (almost a pessimism) about the likelihood that Canada will change the direction of present resource development policies. This pessimism is most strongly directed against the provincial government in British Columbia, this province being foremost in Canada in its dependence on resource extraction industries for its economic well-being.⁴ Whether this skepticism reflects

² Note Section II, question 1 of Appendix.

³ Mr. Howland, Chairman of the National Energy Board, has publicly stated that the primary aim for a northern pipeline bringing natural gas from Prudhoe Bay is economic development of the northland and that environmental considerations are secondary. Speech to Northern Pipeline Research Conference, Ottawa, February 1972.

⁴ At the provincial election on August 31, 1972, the governmental party for 20 years was defeated and a socialist-leaning party (New Democratic Party) assumed control. The new Premier, David Barret threatened to take over several American controlled industries in the province.

a failure on the students' part to realize that they and their contemporaries will be in charge of these policies in fifteen or twenty years, or whether it reflects a sense that their own aspirations are idealistic and will be worn down as they grow older and experience the "real" world; I cannot tell. But I do believe that their current attitudes giving supremacy to environmental values and to national self-determination over resource development are based on knowledge of the facts and strong skepticism rather than unwashed idealism, and are, for most, sincere and deep convictions.

While these attitudes are radical in terms of current Canadian policies, are the students "radicalized" in the sense in which this word is used today as meaning unwilling to take part in the system? The answer is clearly NO! These students exhibited an unbounded faith in the law as a means of protecting the environment and of restraining the detriments of foreign economic control. A significant 93% of them believe that foreign investment, if properly regulated and controlled, can be a net benefit to Canada. These students are *not* radicalized. If anything, their kind of idealism and innocence is revealed at this point, for no second- or third-year law student would acknowledge such omnipotence of the law!

But despite their faith in the law, these students are not mere reproductions of law students of my generation. This conclusion, and the strong conviction with which they hold their views on foreign ownership, are revealed by their willingness (88%) to appropriate large foreign corporations causing severe ecological damage or operating in conflict with Canadian resource policy. Almost three-quarters of them favour less than full market value compensation. Law students of my time would have been shocked by such sacrilege before the altar of vested rights!

Now let us compare the differently perceived utopias. Current Canadian government policy envisages as rapid a development of Canadian energy resources as Americans are able to use any surplus over Canadian needs. Oil and gas exploration will be encouraged across the northern lands and in the offshore regions. Pipelines will be built across the ice-scoured ocean bottoms and the fragile Arctic tundra. Ice-breaker traffic will be accepted in the Arctic Ocean. The flow of rivers will be reversed on a continental scale to generate electric power. Coal will be stripped from the mountains. Foreign capital, both debt and equity, will be accepted as needed to finance these developments. Continuing Canadian economic expansion will be assured.

The other utopia postulates a system where energy resource developments are strictly conditioned in terms of adverse environmental impacts and national political and social consequences, with economic growth, *per se*, reduced from primary to subsidiary importance. This system will be brought about through reform of the legal, political, and economic institutions in society with forceful legal steps being taken where required.

Were this second utopia to be accepted as the goal of future Canadian energy resource policies, what sort of changes in current policies should be expected? I will address this question only in the energy resource fields with which I am familiar.

The basic changes would be delay and escalating prices. The United States would continue to have access to Canada's energy resources. Even a continental energy resource policy could be accepted. American capital would still be welcomed and some foreign ownership of natural resources would still be tolerated. But the lead time required for natural resource developments would be longer, for the public scrutiny process would be more elaborate and time-consuming. Some proposed developments would be denied altogether. All would be costlier because of stricter conditioning of developments in environmental and other national policy terms. These delays and price-escalations would, of course, force Americans more quickly to turn to alternate energy sources and suppliers, thereby further retarding energy resource development in Canada.

To be more specific, much tougher laws would govern the exploitation of Canada's northern and offshore oil and gas resources.⁵ The present oil and gas permit and leasing regulations can fairly be termed as prescribing an open public domain policy with free access to all comers. Already 97% of the sedimentary areas in Canada's north are under permit or lease. This policy would not survive a public opinion aroused to demand more of their laws than the most rapid rate of development. Instead of an open public domain, a land management policy would be evolved which would designate areas to be closed to development in service of the values of wildlife, wilderness, recreation and other similar public purposes. Other areas would be banked, like Naval Petroleum Reserve No. 4 in Alaska, as a future supply of oil and gas resources. Certainly these resources would cost more. A bonus bid system like that applying to the United States Outer Continental Shelf would be as-

⁵ Present oil leasing laws in northern Canada and offshore are the CANADA OIL & GAS LAND REGULATION, SOR/ 61-253.

sured so that, instead of free entry, there could be lease sales like that in Santa Barbara in 1966 which netted the U. S. Treasury \$603,000,000, or that in Anchorage in 1970 which netted the State of Alaska some \$914,000,000. Gross royalty rates, which in Canada, are now 5% for the first three years and 10% thereafter, would be revised upwards to correspond more closely to those prevailing in Alaska (app. 22%)⁶ or on the Outer Continental Shelf (16 2/3%).⁷ Finally, Canadian oil and gas permits, which can be converted to leases with a combined duration of anywhere from 30 to 50 years without the necessity of discovering oil in commercial quantities⁸ would be altered to resemble more closely the United States lease which lasts only five years unless oil or gas is discovered.

Exploratory drilling for oil and gas in untried regions (all of northern Canada and the Canadian offshore would fall in this category at present) would be subject to prior public hearings to assess the possible hazards. As in the case of such hearings now underway in Australia with respect to exploratory drilling in the region of the Great Barrier Reef,⁹ the process would be time-consuming with two or even three years passing before the green light would be given or development forbidden.

The northern pipelines required to bring natural gas from Prudhoe Bay in Alaska and from Mackenzie Delta wells in Canada, or from gas wells in the Canadian Arctic Islands, would be subject to intense public scrutiny as projects involving not merely major environmental impacts, but also social impacts on northern residents and impacts on Canada's fiscal and monetary policies.

That industry is already anticipating these delays and accelerating costs is clear. Wilber H. Mack, Chairman of the Northwest Project Study Group¹⁰ recently gave members of the U. S. National Association of Regulatory Utility Commissioners revised projections for the gas pipeline from the north slope through Canada to the U. S. midwest showing the original cost estimate of \$2.7 billion escalating to \$5 billion and the time of completion extended from

⁶ The 22 percent is a combination of state royalty rates and severance tax.

⁷ OUTER CONTINENTAL SHELF LAND ACT, 67 Stat. 462. This Act specifies a minimum royalty of 12½ percent. In practice, the royalty has always been set at 16 2/3 percent.

⁸ CANADA OIL & GAS LAND REGULATIONS, SOR/ 61-253.

⁹ Royal Commission Respecting Petroleum Exploration & Drilling in the Area of the Great Barrier Reef.

¹⁰ The Northwest Project Study Group is a consortium of Atlantic Richfield, Humble Oil, Standard of Ohio, Trans-Canada Pipelines, Michigan Wisconsin Pipeline Company, and the Natural Gas Pipeline Company of America.

1975 to 1978.¹¹ Our utopian students would undoubtedly characterize these revised projections as optimistic.

Possibly of greater significance than environmental delays would be those problems resulting from attempts to realize the student aim of asserting national control over foreign capital investment and over foreign ownership of natural resources. Mr. Mack, in his press release, is speaking about world-wide markets when he says that "The task of raising the required capital will test the capacity limits of the financing markets." Should Canadian policy require Canadian participation in debt and equity capital to any specified proportions, the project could prove financially infeasible. Also if it was Canadian policy to move toward strict control or take over of foreign ownership in the energy resource field, there would undoubtedly be a falling off in the rate of development.

We should look more closely for the perspective in which the law students view the issue of foreign ownership. Currently in the Vancouver newspapers the most recent episode in the saga of Kootenay coal and Kaiser Resources has been receiving front-page display. As background, the first major outcry in British Columbia about the environmental dangers of resource development was aroused over Kaiser's strip-mining proposals for coal in the Kootenay Valley. The government passed a reclamation law to quell the public protest and the project went ahead. An enormous public investment was made in rail and port facilities to complete an efficient system of bulk shipment from the mine to the markets in Japan. A significant sop to public concerns was a requirement that Kaiser offer 25% of the equity share capital exclusively to Canadian subscribers. First, Kaiser committed the sin of making a bad deal with the Japanese buyers — hence the company and shareholders have lost money. Canada's reputation as a reliable supplier has been injured in Japan because there have been frequent production shortfalls. There is justified public suspicion that land reclamation and pollution control standards are being sacrificed by the government to assist the project towards economic viability. There is public apprehension that the whole operation will never emerge from being a net economic detriment to the province. Given all these concerns and apprehensions about exploitation of a natural resource by a foreign-controlled corporation, you can imagine the extent of public indignation over the recent revelation that Kaiser directors in the United States, through a front company incorporated in Can-

¹¹ Press release of Northwest Project Study Group, February 29, 1972.

ada, acquired a substantial number of the earmarked Canadian equity shares and traded them profitably without filing "insider" statements with the securities exchange commissions.¹²

It is not restorative of confidence to say that Canadian directors might be as venal or that there are innumerable examples of good corporate citizenship on the part of foreign-owned subsidiaries operating in Canada. With this example freshly in mind, student attitudes may have been colored. Basically, the student's hostility is not against foreign ownership *per se*, but against abuses of such ownership. This distinction is borne out by their favorable response to the proposition that, properly controlled, foreign investment can be a net benefit to Canada. In the case of the oil and gas industry, with its extremely high concentration of foreign ownership in Canada,¹³ it is unlikely that take-over would be a chosen instrument for asserting such control, despite the student willingness to expropriate foreign companies inimical to Canadian interests. Rather, it is likely that the students, whose answers show a recognition of the need for practicality, would chose the Panarctic model whereby the Canadian government enjoys a 45% equity participation in a consortium with privately-owned oil companies. Middle East experience has convinced OPEC countries that joint-venturing between private and state corporations is a more practical means for asserting state participation in the development of petroleum resources than is outright expropriation.

Certainly current Canadian restrictions on foreign ownership of petroleum and natural gas would be recognized as ineffective — as mere palliatives to patriots. Permits acquired under the CANADA OIL AND GAS LAND REGULATIONS are subject to no restrictions as to ownership, yet the above regulation does preface the ability of the foreign owned corporation to exercise its right to take leases on the permit lands. Under the regulation, the lessee company must be either 51% beneficially owned by Canadian citizens, or it must be a Canadian corporation whose shares are listed and publicly trade on a Canadian stock exchange so that Canadians will have an opportunity to participate in the ownership and financing of the company.¹⁴

¹² The directors are now being prosecuted in the United States for a violation of S.E.C. Laws.

¹³ It is estimated that foreign ownership in the gas and oil industry range between 65 and 90 percent.

¹⁴ CANADA OIL AND GAS LAND REGULATION, SOR/ 61-253.

It will not surprise this audience that I describe these restrictions as no deterrent to a foreign-owned corporation determined to be involved in oil and gas development in northern Canada or offshore. It is expensive but not difficult to incorporate a Canadian subsidiary, go public, and list the company's shares on a stock exchange. So far, there has been no follow-up scrutiny as to the extent of public trading and therefore it seems sufficient if the shares are closely held with only a small percentage being traded. On the otherhand, foreign-owned corporations that are not willing to go public because, for example, of disclosure requirements, are prevented from acquiring Canadian oil and gas leases. Their Canadian involvement would have to be through indirect participation in joint venturing. In result, these restrictions work haphazardly, depriving Canada of some sources of foreign investment without achieving any objectives in terms of greater overall Canadian ownership.

A policy of asserting greater control over foreign investment would likely include attempts to diversify the sources of foreign investment. Canadian policy might for example, give incentives to European countries to penetrate Arctic waters by ice-breaking tankers so that Canada would gain alternate markets for oil, liquified gas, and ore concentrates in the United Kingdom and Europe. Natural gas supplies would be further delayed in reaching United States markets by increasingly strict standards for making reserve estimates and increasingly liberal standards for making demand estimates, with the result that less gas surplus to Canadian needs would be available for export. This trend, which is already established in Canada by a recent decision of the National Energy Board refusing export application, would be accelerated under the student policy with its *CANADA FIRST* emphasis. Such a policy, which makes suppliers captives in the market place, would be expected to lead to regional conflicts in a country like Canada where gas supplies are to be found in western and northern Canada and the protected consumers are mainly in eastern Canada. Westerners could be excused for eschewing a nationalistic policy and advocating a policy of searching out the markets that offer the highest prices, even if they be markets in the United States. Such a policy is, in fact, currently advocated by the Province of Alberta which is the main supplier of natural gas in the country. But the British Columbia students showed a nationalism surpassing regionalism, 73% rejecting a B.C. First policy.

CONCLUSION

Should I have faithfully sketched the parameters of future Canadian energy resources policies, the reality will probably lie somewhere in between. I will confess to what most of you will have surmised, that the future policies which I have attributed to the students on the basis of their questionnaire responses are of my own invention. You must decide whether the questionnaire responses justify my interpretations.

I do believe that Canadian policy should assert more stringent planning and more thorough surveillance of resource developments, including public participation through legislative and hearing processes, to the end that political self-determination and environmental values, both social and natural, will be served ahead of an economic goal of highest rate of growth. Short of impoverishing Canada, or of jeopardizing our national independence, I endorse resource development policies that give promise of restraining and redirecting the North American growth ethic, because I believe this ethic to be destructive of our capacity to live on this earth, and, what is worse, destructive of a life style that makes life worth living. That is a purely personal view. Though your guest, I make no apology for saying, in effect, that I would deny you all the Canadian energy resources that you want or think you need. I do not apologize, for it is mainly Americans who have persuaded me to think this way. Many of my students share my view that the energy resource conflict in North America is not a U.S.-Canada one, though many of its facets will be resolved at this inter-nation level. Rather, it is a conflict between those, be they Canadians or Americans, who hold fast to established perceptions about economic development, and those who perceive that the plight of modern man requires new values and beliefs shaped to a society in which economic imperatives can no longer be the only goal.

APPENDIX

Since most of the issues surrounding U.S.-Canada energy resource development will be a reflection, so far as Canada is concerned, of political attitudes towards the growth ethic, future rates of economic development, and acceptable means of foreign participation in ownership and development of natural resources, I concluded that an important contribution to this panel would be a testing of these attitudes among a group of law students.

The results of a questionnaire follow. The sample is a section of the first year class in the law school at the University of British Columbia. This section, which is segregated from the whole of the first year class of 210 students solely on an alphabetical basis, comprises 52 students. Of these, 39 completed the questionnaire. First year law students at U.B.C., with very few exceptions, have attained a degree in a recognized university prior to admission to law school. Their admissibility has been determined on the basis of academic performance in their undergraduate programs and their achievement under the law school admission testing service (L.S.A.T.). These students range in age from 22 years to 40 years, the larger number being in the age class 23-25. Of the 52 in the group, 45 are males and 7 are females. Their undergraduate degrees are scattered across the spectrum of university trainings with concentrations in arts and science programs and in commerce.

QUESTIONNAIRE

SUMMARY OF RESULTS

Section I

Attitudes Towards Probable Conduct of Canadian Affairs

1. (a) Canada will adopt the highest possible rate of economic growth as the prime socio-economic goal. Yes—54%, No—22%, D.K.—24%.
2. (a) Canada will choose resource development over maintenance of the environment. Yes—67%, No—18%, D.K.—15%.
5. (a) B.C. will continue to encourage foreign investment in natural resource development which confers a low level of benefits to B.C. Yes—84%, No—5%, D.K.—11%.
6. (a) The U.S. policy will make reasonable provision for Canadian economic independence. No—88%, Yes—7%, D.K.—5%.
7. (a) Foreign investment will be a net benefit to Canada. No—46%, Yes—38%, D.K.—16%.
8. (a) All future key resource developments will include mandatory Canadian direct participation. No—45%, Yes—29%, D.K.—26%.
9. (a) A Canadian-American common market is *not* inevitable. Yes—45%, No—41%, D.K.—14%.
10. (a) A unified Canadian-American energy resources policy is *not* inevitable. Yes—47%, No—39%, D.K.—14%.
10. (c) Support for a Canada First energy policy, even at the cost of higher costs. Yes—86.5%, No—57.2%, D.K.—8%.
11. (a) Canada will eventually become fully integrated into the U.S.A. (51st State). Yes—15%, No—77%, D.K.—8%.
12. (a) Privately owned recreational land in B.C. will be significantly controlled by foreign investment. Yes—73%, No—16%, D.K.—11%.
13. (a) The Canadian government will expropriate large foreign corporations if

- (i) severe probable ecological damage projected.
Yes—31%, No—57%, D.K.—12%.
 - (ii) in conflict with Canada long term resource policy.
Yes—35%, No—52%, D.K.—13%.
 - (iii) in conflict with Canada short term resource policy.
Yes—18%, No—69%, D.K.—13%.
- Conclusion*—(a) generally pessimistic with 3 exceptions.
- (i) Canada will maintain political independence.
 - (ii) A common market is not inevitable.
 - (iii) A unified energy policy is not inevitable.

Section II

Attitudes Towards Conduct of Canadian Affairs Which Canada Ought To Adopt.

1. (b) Canada ought to adopt the highest possible rate of economic growth as the prime socio-economic goal. No—74%, Yes—16%, D.K.—10%.
2. (b) Canada should choose maintenance of environment over resource development. Yes—84%, No—15%, D.K.—1%.
4. (c) Canada should make changes in law to eliminate or reduce dangers from foreign economic control. Yes—96%, No—2%, D.K.—2%.
4. (d) Canada should bar by law foreign ownership or control of ALL aspects of the media. Yes—71%, No—29%, D.K.—0%.
5. (b) B.C. should discourage foreign investment which confers a low level of benefit to B.C. Yes—95%, No—2.5%, D.K.—2.5%.
6. (b) The U.S. should make reasonable provision for an independent Canadian economic policy. Yes—80%, No—20%, D.K.—0%.
8. (b) All future key resource developments should include mandatory Canadian direct participation. Yes—89%, No—2%, D.K.—9%.
9. (b) A Canada-American common market is undesirable. Yes—53%, No—39%, D.K.—8%.
10. (b) A unified Canada-American energy resource policy undesirable. Yes—69%, No—31%, D.K.—0%.
11. (b) Canada should become fully integrated into the U.S.A. Yes—3%, No—94%, D.K.—3%.
12. (b) Privately-owned recreational land in B.C. should *not* be controlled significantly by foreign investment. Yes—97%, No—0%, D.K.—3%.
13. (b) Canadian Government should expropriate large foreign corporations if their policy will
 - (i) cause severe probable ecological damage.
Yes—88%, No—6%, D.K.—6%.
 - (ii) be in conflict with Canada long-term resource policy.
Yes—77%. No—17%, D.K.—5%.
 - (iii) be in conflict with Canada short-term resource policy.
Yes—72%, No—17%, D.K.—11%.
13. (c) Should Canada pay compensation for expropriation at
 - (i) full market value—28%
 - (ii) book value —39%
 - (iii) partial value —28%
 - (iv) none —5%
14. B.C. should adopt a B.C. First Policy in natural resources not only

against foreign control but against Federal control AND Eastern Canadian ownership. No—73%, Yes—27%.

Conclusion

Uniformly and solidly in favour of independence, Canadian ownership, protection of the environment and all positive national actions to protect these three prime values.

Section III

Level of Study Population's Knowledge

1. (c) Historically Canada has only restricted or regulated the inflow of foreign capital *occasionally*. Yes—79%, Never—16%.
2. (c) All major eco-systems in B.C.-Yukon are presently threatened by operational or planned resource developments. Yes—77%, No—Nil, D.K.—23%.
3. Ownership of large corporations operating in Canada. Correct—of those who knew—80% + got 6 of 8 correct D.K. Category ranged between—0% + 37%.
4. (e) Few of Canada's necessary economic institutions are already protected from foreign control. Yes—85%.
5. (c) Extent of foreign investment in B.C. basic extraction industries. Of those who knew—Correct—95%, D.K.—38%.
6. (c) Lately, the U.S. has been unfair to Canada in its foreign economic policy. Yes—73%, No—23%, D.K.—4%.
7. (c) Percentage of key resource developments which presently operate under direct controls. Correct—40%, D.K.—34%.
9. (c) Percentage of Canadian-American trade which is tariff-free. Correct—47%, D.K.—44%.
10. (c) Are any of our energy resources already controlled by joint policy—Mixed results—91% recognized I.J.C.
—Majority rejected existence in oil and gas, and coal. 34%, 47%.
—plurality accepted existence in uranium and hydro?
11. (c) Is Canada highly integrated with U.S.A. in foreign and economic policy and cultural identity? If so, how much?
(Correct)—Yes—range—78%—91%.
(Perception) (cultural) (foreign)
12. (d) In terms of speculative investment in recreational land, American interests hold a significant %. Yes—65%, D.K.—35%.

Conclusion—on the whole a high level of recognition of the issues and an even higher level of accurate knowledge by those respondents who recognized the issue (contra—D.K category).

Section IV

Faith In The Power Of The Law To Protect Canadian Interests

4. (a) Changes in Canadian Law can eliminate or significantly reduce dangers from foreign economic control. Yes—92%, No—3%, D.K.—5%.
4. (b) Changes in Canadian Law re: publishing houses can reduce dangers. Yes—77%, No—21%, D.K.—2%.

7. (c) If properly controlled and regulated, foreign investment could be a net benefit to Canada. Yes—93%, No—5%, D.K.—2%.
12. (c) Foreign investment in B.C. recreational lands should be excluded by law. Yes—65%, No—30%, D.K.—5%.
- Conclusion*—unbounded faith in effectiveness and propriety of changes in law.

Section V

Perceptions Of Foreign Investment As A Package Of Costs and Benefits

- | | | | |
|-----|--|------------|--|
| | | \$1870 | |
| (a) | Costs outweigh benefits by 28.5% | \$1460 | |
| (b) | Highest individual cost: Change in locus of decision-making | \$ 318 out | |
| | | \$1860 of | |
| (c) | Highest individual benefit: access to technology. | | |
| | benefit | \$240 | |
| | cost | \$215 | |
| (d) | Other net costs on set-off items | | |
| | (i) Cost—primary resource exploitation | \$236 | |
| | benefit—secondary industry development | \$174 | |
| | (ii) cost—wealth transfer | \$253 | |
| | benefit—tax harvest | \$169 | |
| (e) | Other net cost other than on set-off items: | | |
| | (i) dependency on foreigners for management skills. | | |
| | (ii) foreign ownership contributed to increased domestic prices. | | |
| (f) | Other net benefits other than on set-off items; | | |
| | (i) increased capital stock. | | |
| (g) | Stand-off on set-off items: | | |
| | (i) Imports-Exports. | | |

Conclusion—definite perception of general detriment—but selective.