

prepared to vary the percentage of foreign ownership permitted in relation to the importance to Japan of new technology which the investment would bring, rising as high as 51%. Normally, however, they try to restrict foreign participation to 20%.

3.24 *Action Taken by the Government* Action taken to retain control of the key sectors of Canadian industry is summarized in Sections 3.05 to 3.09 above. In addition, in 1962, the Government passed The Corporations and Labour Unions Returns Act under which corporations and labour unions were required to furnish to the Dominion Statistician financial and other information on their affairs necessary to determine on the one hand the effects of non-resident ownership and control of corporations in Canada, and, on the other hand the extent and effects of the association of Canadian trade unions with American-based unions. The Act is administered by the Dominion Statistician under the authority of the Minister of Industry, Trade and Commerce. This Act became effective January 1, 1963, and since that date the Dominion Statistician has published reports which are extremely valuable in determining the effects of foreign influence on Canadian business and unions.

Somewhat later, because of the impact of the American guidelines above referred to, a branch of a division of the Department of Industry, Trade and Commerce was established (the Guidelines Branch) to obtain information with regard to the extent of foreign influence in Canada and for the purpose of determining the performance of foreign-dominated corporations in Canada. Information is obtained on a voluntary basis from corporations and the Branch has no statutory backing.

The Guidelines Branch publishes reports with respect to the operation of foreign-owned subsidiaries in Canada. The Committee has been informed that there is a useful exchange of information between the Guidelines Branch and the Dominion Statistician since both are conducting operations in somewhat the same field. Nevertheless the bases upon which the statistics are compiled by the two organizations are somewhat different and can only be coordinated with some difficulty; and the two organizations publish separate reports. It may be that there is some good reason, not known to the Committee, why the operations in the same field should be carried out separately, but it does appear to the Committee that the situation should be examined to see whether the efforts could not be coordinated in a single authority with greater efficiency and less cost to the public.

In 1966, in response to the American guidelines issued by the American government to parent corporations, the Canadian government published Canadian guidelines to Canadian companies which were subsidiaries of foreign parents or were largely foreign owned. The text of the letter containing the Canadian guidelines reads as follows:

MINISTER OF TRADE AND COMMERCE
Le ministre du Commerce
Canada

Ottawa, March 31, 1966

Letter from the Honourable Robert H. Winters to Subsidiaries in Canada
of Foreign Companies tabled in the House of Commons
on March 31, 1966

The Government has been giving a good deal of attention to the need for the best possible performance from the Canadian economy and to the con-