

Canada—U.S. Ministerial Meeting

The communiqué, in the main, has dealt with three topics. The first had to do with the application of the United States guide lines to Canadian subsidiaries of American corporations, and I was interested in the minister's statement that the communiqué could not possibly convey the vigour with which the views of the Canadian delegates were expressed. I hope the vigour in Washington was much stronger than has ever been expressed in Ottawa—

Some hon. Members: Hear, hear.

Mr. Douglas:—because I recall that last December the Minister of Finance (Mr. Sharp) said of these United States guide lines that they were in effect in line with the Canadian government's policy, and they constituted a political economic windfall for the Canadian government.

Had it not been for the objections which were raised to those guide lines on this side of the house, buttressed by the letters sent by Hon. Eric Kierans of the Quebec government, there would have been no serious objections to these guide lines.

It is true that the government began to have second thoughts about this matter, and a few days ago the Secretary of State for External Affairs said on a national television program that Mr. Kierans was not the only one who had registered objections with the United States government, and that the Canadian government had registered objection. However, I have not been able to find any written objection from the Minister of Finance, from whom one would expect it to come, and other than an aide memoire, which the Secretary of State for External Affairs says he sent, but which so far he refuses to table, and which dealt only with the S.E.C. regulations, no formal objection has been registered by the government to the United States guide lines. Now we are told the ministers have expressed themselves with great vigour, and the communiqué says they have expressed their concern over the possible implications for Canada of the U.S. guide lines.

It seems to me the communiqué is most unrevealing in saying what the attitude of the United States government will be. It says:

The United States members made clear that the U.S. government was not requesting U.S. corporations to induce their Canadian subsidiaries to act in any ways that differed from their normal business practices as regards the repatriation of earnings, purchasing and sales policies, or their other financial and commercial activities.

[Mr. Douglas.]

But, Mr. Speaker, I point out that this very vague and general statement is, to a very large extent, offset by Mr. Thomas C. Mann, United States Under-Secretary for Economic Affairs who, at the week end, when asked in Washington by the press what it meant when the American government said it expected firms in Canada, which were subsidiaries of United States corporations, to act as good citizens of the country, replied that—

—the guide lines are flexible enough to let American subsidiaries abroad be good citizens although unnecessary retention of earnings abroad is not desirable.

Which of the guide lines is the United States going to follow—the vague, nebulous statement of the communiqué, or the very specific statement of the U.S. Under Secretary of State for Economic Affairs that a retention of earnings abroad is not desirable?

I think the Canadian government has a responsibility to tell the house what this communiqué means. Does it mean that the United States government is not going to apply these voluntary economic guide lines to Canada? Certainly Mr. Mann, when he was asked, did not say that there would be any difference in the application of these guide lines to Canada from their application to any other country.

● (3:00 p.m.)

The second matter which is dealt with in the communiqué has to do with the change in the Security Exchange Commission regulations. I am glad the Canadian government in this case put forward strong views to the effect that these proposed regulations constitute a violation to our sovereignty. The communiqué does not offer too much comfort. It says that the United States members appreciated the concern of the government of Canada and assured the Canadian members that the most careful consideration would be given to Canadian views.

Well, Mr. Speaker, I do not know how much that means; but I certainly want to urge the government to press for more than consideration and, if early action is not taken, that the government take a much more forceful and forthright attitude than they have taken to date.

The third matter which was dealt with had to do with the United States foreign assets controls which, the minister's statement says, have on occasions created serious difficulty for Canadian companies trading with such countries as Communist China and Cuba.