I could go on to examine other aspects of corporate decision-making such as pricing, labour relations, charitable contributions and so on. In these areas, minor differences in behaviour can also be identified which reflect foreign control and foreign influence. In some instances, these differences yield advantages; in others, they yield disadvantages. The performance is mixed, and the disadvantages are usually not very serious.

One aspect of the operations of foreign enterprise in Canada which has attracted considerable attention is the practice in relation to the sale of equity shares to the public. Many of the larger Canadian corporations controlled from abroad are wholly-owned subsidiaries. While the shares of the continental or global operation are traded freely and available to Canadians, there is no opportunity for public participation in ownership of the enterprise operating in Canada. Many Canadians believe that it would be desirable for such enterprises to make their shares available to the public. And they have drawn on a variety of rather sophisticated arguments to support their case. Canadians, it is argued, are entitled to an opportunity to share in the fruits of enterprises operating in their country. Partnership by Canadians, it is held, will ensure independent Canadian representation on the board of directors and the injection of a Canadian point of view into the decision-making process. It is pointed out, that sale of shares will convert the enterprise to a public company so that financial and operating reports will be available for public scrutiny. In further support of the desirability of an equity spin-off is the fairly consistent research finding to the effect that companies open to Canadian equity participation do, in fact, demonstrate a keener awareness of Canadian interests, and are in practice less tightly controlled from abroad than are wholly-owned subsidiaries.

The counter-arguments are also familiar to you; they are no less subtle. The existence of minority shareholders impairs the flexibility of operations which is desirable in the interests of efficient operation. A closer accounting of financial transactions between the parent and subsidiary would be required, often to the detriment of the subsidiary. Sometimes the case is put much more frankly; the parent corporation has taken the risks and does not see why it should share the profits with outsiders.

Objective studies tend to the view that foreign-controlled companies with local participation are not at a significant disadvantage over wholly-owned subsidiaries; and generally support the case for making shares available to the public. Apart from the advantages already mentioned, such a policy would have the additional merit of removing an off-recited, and sometimes deeply-felt, grievance about the operations of foreign enterprise in Canada.

Another aspect of the operations of foreign enterprise in Canada which has attracted a good deal of public attention concerns the relationship between foreign government laws and policies and their influence on the activities of Canadian enterprise controlled abroad. Our earlier study dealt only briefly with this subject.