

ments, necessarily framed in national terms, with its own needs conceived in terms of the world economy. The larger meaning of this exercise is clear; to the extent that the requirements of governments stifle the full achievement of the multi-national corporation in the terms I have described it, to that extent will we achieve a less efficient use of our world resources.

The problem as I see it, therefore, is how we can reconcile efficient resource use in terms of the world economy with those measures of political interference that may be thought essential for the happiness and the welfare of the people of a particular nation, large or small. In approaching this problem, I would certainly not place the efficient use of resources above all other considerations; it is only one of the *desiderata* of which mankind must take accounts. There are compelling considerations that relate to spiritual and cultural needs—it has become fashionable to call the 'quality of life'—that should take high priority. The question I pose this morning, however, is the extent to which those needs can be met with minimum sacrifice to the objective of efficient resource use."

The great majority of multi-national corporations operating in Canada are American owned with operating headquarters in the United States and very few are owned in Canada or other countries.

It has sometimes been suggested that instead of resisting the multi-national form of organization, Canadians should adapt to it and indeed accept it, protect our few existing multi-national firms and encourage additional Canadian firms to go multi-national. "If you can't beat them, join them".

Professor Behrman considers that ultimately the effective regulation of the multi-national firm should be on an international basis. He emphasized the urgency of this problem and concluded that:

"unless the governments of the major countries reassess their positions, powers and objectives very carefully and come to an agreement as to how to limit, use and direct this new phenomenon of the international corporation,"

they will be forced by default, to accept the imposition of the American pattern.

However until such time as international control can be made effective it will be necessary for individual nation-states, including Canada, to do their best to supervise and regulate these corporations in the public interest. Evidence given to the Committee indicated that regulation by individual nation-states could be effective. In reply to a question as to whether multi-national corporations might not play one state against another or shift their plants from one country to another in the event that individual states such as Canada attempted to regulate them, Professor Rotstein told the Committee:

"First of all there are many countries that have taken far stronger initiatives in this area and have not prejudiced their position with regard to the multi-national corporations. I refer in particular to Mexico and Japan whose approach has been far more severe than the one we have used in Canada in terms of clear and unambiguous regulation... From my own discussions with some of these executives of the multi-national