

exercise control over United States subsidiaries in this country, which control has often been exercised to the disadvantage of Canada.

[Translation]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like, first of all, to thank the Minister of Trade and Commerce (Mr. Winters) who sent us, a few minutes before the house met this afternoon, the letter addressed to Canadian subsidiaries of foreign companies. I thank him also for sending us that statement written in good French, and I feel that he deserves congratulations for that.

Mr. Speaker, I analysed the guiding principles of good behaviour prepared by the minister for subsidiaries of foreign companies and I feel that, if those principles are put in practice, the Minister of Trade and Commerce will succeed in solving a lot of problems.

The minister recommends to Canadian subsidiaries to get their raw materials in Canada and I think that, if all the Canadian subsidiaries of foreign companies did that, it could help the economic situation in Canada.

Among the objectives sought, the minister states:

Where applicable, to extend processing of natural resource products to the extent practicable on an economic basis.

Mr. Speaker, I feel that the minister will never stress too much the importance of processing right here in Canada the natural resources which we have to such a large extent in our country.

The minister also asks the officials of Canadian subsidiaries of American companies to use Canadian technicians and personnel as much as possible. I feel that is a most commendable step and that the American companies operating in Canada should take it without delay.

The minister also recommends to give Canadians more opportunities to become part of the financial structure of those companies.

Mr. Speaker, another important thing is guiding principle No. 3 which reads as follows:

Maximum development of market opportunities in other countries as well as in Canada.

The minister is asking Canadian subsidiaries of American or foreign corporations to try and increase their exports. I think that the Minister of Finance (Mr. Sharp) should profit by that recommendation.

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Canadian Subsidiaries of Foreign Companies

If you were to assign those Canadian companies the objective of exporting for an amount equal to that which they send in other countries in the form of dividends, profits and interest, then the Canadian balance of payments would no longer be a burden for our people and it would stop being unfavourable to us and upsetting for the Canadian economy.

One of the main recommendations the Minister of Trade and Commerce should make to those Canadian companies is to assign them the objective of having their exports equal the amount of money they are sending to foreign countries in the form of interest, dividends and profits.

Mr. Speaker, before I conclude my remarks, I do want to join with the Leader of the official Opposition (Mr. Diefenbaker) and the leader of the New Democratic Party (Mr. Douglas) in stating that all foreign companies located in Canada and using our labour force, our natural resources, in short, our capacities, should behave like Canadian corporations, having in mind, first and foremost the interests of the Canadian economy.

[English]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, very briefly I should like to say that the Minister of Trade and Commerce is to be commended for setting out these initial guide lines as far as foreign subsidiaries in Canada are concerned. This is only a first step, because I think the success of these guide lines will depend upon the degree and depth of the co-operation he receives from the subsidiaries and their parent companies which control them.

There is one point I suggest the minister might have made more specific in regard to this original set of guide lines, and this is something that should be watched carefully. I refer to the situation which often exists when subsidiaries of foreign companies are restricted by their parent companies in competing for and supplying goods in competition with their parent companies so far as foreign business is concerned. Certainly this restriction hampers our own Canadian subsidiaries and affects our own trade pattern, and is a very important factor in regard to the difficulties we have with our balance of payments.

Again I commend the minister for this step in the right direction, the success of which will be seen as this is further developed.