



## STATEMENTS AND SPEECHES

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### THE ECONOMIC PRICE OF CANADIAN INDEPENDENCE

Speech by the Minister of Finance, Mr. Walter L. Gordon, to the Sixth Annual Industrial and Municipal Relations Conference, on the Theme "United States Investment in our Communities and Industries", Peterborough, Ontario, October 28, 1964.

I welcome this opportunity to speak to you this evening, especially in view of the theme you have chosen for your meeting....

For some time this question of massive non-resident investment in Canada has been widely debated in academic, business and editorial circles. It was the subject raised most often in the briefs and submissions presented in 1955 and 1956 to the Royal Commission on Canada's Economic Prospects, of which I was chairman. That Commission, in its reports dated December 1956 and November 1957, was unanimous in pointing out both the great benefits of foreign investment and also some of the dangers. Referring to foreign-controlled subsidiaries and branch plants, the Commission suggested:

- "(a) Wherever possible, they should employ Canadians in senior management and technical positions, should retain Canadian engineering and other professional and service personnel and should do their purchasing of supplies, materials and equipment in this country.
- (b) They should publish their financial statements and make full disclosure therein of their Canadian operations.
- (c) The larger Canadian subsidiaries should sell an appreciable interest (perhaps 20 per cent to 25 per cent) in their equity stock to Canadian investors and should include on their boards of directors a number of independent Canadians."

The Commission said that it was desirable that Canadian control of the Canadian chartered banks and life insurance companies should be maintained. It suggested that appropriate action be taken to prevent any substantial measure of control of these institutions from coming into the possession of non-residents.