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No. 67/24 FOREIGN OWNERSHIP AND THE MULTINATIONAL CORPORATION

Excerpts from an Address by the Honourable Robert H. Winters,
Minister of Trade and Commerce, at the Forty-second Canadian
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Multinational Company

Significant as tariff reduction and trade liberalization negotiations have been in the past, and will continue to be in the future, there is another fact of economic life which I believe will be of increasing importance to the international economic environment of the years ahead: the rise of the multinational company with operations in more than one country. These corporate giants, whose interests are far-flung, will, I believe, have great influence on the development of world trade and production in this latter third of the twentieth century. Being in a position to rationalize production in many countries, these supranational companies can provide unequalled opportunities for the ever more rapid economic progress of mankind.

In this modern world, in which the dimensions of space and time and geography are so rapidly shrinking, a narrow nationalist approach is outmoded. In this era of jet travel, it takes hours to transport men and goods over distances that once took months, or even years, to cross. Events on the other side of the planet enter our living-rooms and our awareness within moments of their happening.

Multinational companies have long existed. But never before have they occupied such a prominent place in the economic affairs of so many nations. The list of companies producing goods and services in half a dozen or more countries is today a long one. Some 200 American corporations have such an international scope of operation; some 30 European; and some Canadian. And rare is the country which has not within its borders a subsidiary of one of the multinational giants.

In Canada alone, the subsidiaries of foreign corporations number in the thousands. But before turning to look at these Canadian subsidiaries let me briefly touch upon the advantages and strengths of the multinational corporation in the world economy.