

The Committee believes that a special problem exists in the vital computer industry with regard to the storage and retrieval of information by computer and urges that action be taken to protect Canadian interests in this field.

The Committee also considers it to be vital to obtain more dependable information on the extent and trend of foreign and American control of industry, and that the Bureau give top priority to obtaining and publishing this information.

In carrying out its duties, the Bureau should take into account any significant differences between the mining and manufacturing sectors of the economy where foreign ownership is now concentrated. In manufacturing, especially in important growth industries, it is possible for Canadian firms to compete effectively for foreign markets through rationalization and effective entrepreneurial activity. The government can also give support by developing programs such as the Defence Production Sharing Program and the Automotive Agreement which have enabled Canadian manufacturing industries to keep abreast of advanced technology and to find an outlet for export sales thereby permitting efficient and low cost production. In these situations the benefits of foreign ownership are less important and the Committee considers that techniques such as the prevention of further takeovers and the highly selective reacquisition of foreign-owned firms could be undertaken without risk. This kind of approach might be used in particular to ensure that in each important sector of manufacturing there was a significant Canadian producer. The Committee considers that benefit can be gained from having a Canadian "pace-maker" provided the Combines Branch continues to try to ensure that the Canadian firm itself does not act in concert with foreign firms against the public interest.

The Committee believes that it is particularly vital for the long-run economic interests of Canadians that we control our resource industries. These are industries which are relatively straightforward technologically and we do not therefore need the technological capability of non-Canadians for their development. In addition, according to statistics furnished to the Committee, Canadians have been providing much of the new debt capital for the development of our resource industries in any event. Finally, all too frequently, many of the raw materials are being exported in a primary state so that minimal income and employment are generated for Canadians. It is hoped that Canadian-controlled corporations would endeavour to maximize the amount of processing done in Canada, thus generating substantial additional income and employment within Canada. However it is felt that both foreign and Canadian controlled corporations should be required to do so within a reasonable period of time.

In addition efforts should be made to obtain a Canadian presence in the extractive industries where none exists at the present time. Professor Safarian pointed out to the Committee:

"In mining and smelting, for example, there are a number of firms which are highly international in character, and in which stock is widely held, and in which Canadians hold substantial minorities. A few hundred million dollars spent on purchasing more of their shares on the stock exchanges would push them into the category of 51 per cent Cana-