



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 21 No. 15

April 13, 1966

CONTENTS

Principles of Corporate Behaviour	1	New Airline Routes	3
Dollar Savings in		Big Rise in Female Employment	4
Telecommunications	2	Farm Labour Problems Discussed	4
Residential Building	2	Diplomatic Appointments	4

PRINCIPLES OF CORPORATE BEHAVIOUR

The following statement was made by the Minister of Trade and Commerce, Mr. Robert H. Winters, in the House of Commons on March 31 when he tabled a copy of a letter to Canadian subsidiaries of foreign firms setting forth what he regarded as certain guiding principles of good corporate behaviour:

Honourable Members will recall that, in dealing with questions asked during consideration of departmental estimates, I indicated my intention to formulate appropriate guidance to help subsidiaries of foreign companies conduct their affairs as good corporate citizens of Canada.

Much attention has been given in recent years to the role of subsidiaries of foreign companies in the Canadian economy, and to the difficulties which can arise from the responsibilities of subsidiaries both to their parent companies and to the community in which they operate. Many views have been expressed on this important subject. In recent weeks I have had helpful consultations with chief executive officers of many Canadian subsidiaries of foreign companies located in various countries. I have concluded that a statement of what is expected of subsidiary companies as regards their responsibilities in the Canadian community would be welcomed and would be of benefit to all concerned.

Accordingly, I am writing to the heads of subsidiaries of foreign companies in Canada setting forth some guiding principles of good corporate behaviour. In the letter I also indicate my intention to ask the larger subsidiary companies to provide periodically, on a confidential basis, information on certain aspects of their operations and financing...

Honourable Members will observe from a reading of the letter that the principles emphasize, above all,

the need for subsidiary companies to strive for maximum realization of their potential and for full participation in, and identification with, the life of the Canadian community. While these principles have been formulated with regard to the particular circumstances pertaining to the operations in Canada of foreign-affiliated companies, the underlying objective sought is equally applicable to all Canadian companies.

I trust that this statement of the basic essentials of good corporate citizenship will contribute to a better understanding of the role of subsidiaries of foreign companies in our economy and will encourage and facilitate their full participation in our growth and development in line with Canada's trade, economic and social needs.

TEXT OF PRINCIPLES

In his letter, Mr. Winters set forth the principles he had in mind as follows:

Desirable objectives include the following:

- (1) Pursuit of sound growth and full realization of the company's productive potential thereby sharing the national objective of full and effective use of the nation's resources.
- (2) Realization of maximum competitiveness through the most effective use of the company's own resources, recognizing the desirability of progressively achieving appropriate specialization of productive operations within the internationally affiliated group of companies.
- (3) Maximum development of market opportunities in other countries as well as in Canada.
- (4) Where applicable, to extend processing of natural resource products to the extent practicable on an economic basis.