

HOUSE OF COMMONS

Thursday, March 31, 1966

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, March 31, 1966

Sir,

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 31st March, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

A. G. Cherrier

Assistant Secretary to the Governor General

• (2:40 p.m.)

INDUSTRY

GUIDE LINES FOR CANADIAN SUBSIDIARIES OF FOREIGN COMPANIES

Hon. Robert Winters (Minister of Trade and Commerce): Hon. 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.

I beg leave to table a copy of this letter, and ask permission to have it printed as an appendix to today's *Hansard*.

Mr. Speaker: Does the minister have leave to table this letter and have it printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of letter referred to above, see appendix.*]

Mr. Winters: Hon. 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.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker I had hoped to have been able to see a copy of the letter, but that has not been possible, so any observations I make will therefore be of a general character.

There has been nothing more conducive to disagreement between Canada and the United States than the adoption of a certain attitude on the part of the administration in Washington in the exercise of authority over Canadian corporations which are, in effect, subsidiaries of United States corporations.