

We shall have to rely on a great deal of the good faith of these firms, until all important economic enterprises in Canada, whether they are private or public companies, provide to the community at large a proper disclosure of their financial structure and operating results.

This is something that not only governments need to know but also loyal oppositions, newspaper editors and even academic economists.

There are real legislative difficulties in this area, and perhaps these problems cannot be solved at the federal level alone. For my part, I can say that the Federal Government will be making renewed efforts to find a solution. I would put this problem fairly high on my list of practical priorities for independence.

There is, of course, not only the question of the proper conduct in Canada of subsidiaries of foreign-owned companies. I am even more interested in the retention and the establishment in Canada of Canadian-owned and controlled corporations, corporations which can compete at home and in world markets and which occasionally branch out into foreign markets through their own subsidiaries. If, as I have already pointed out, modern technology makes for bigness and mass markets, Canadians must strive to have their share of head offices. It is desirable, too, that companies who have their major production facilities in Canada should have their head offices in Canada. Unless these views are accepted in the Canadian business community, we shall have to accept the limitations that go with a branch-office economy, however much guide-lines or laws may help to "Canadianize" the operations of foreign subsidiaries in this country.

Our tax laws can be used for this purpose. By this I do not mean that foreign-owned enterprises should be taxed more heavily than Canadian-owned enterprises; the purpose is not to penalize or discourage enterprise because it originates outside Canada. For a country like Canada, with such a vast stake in non-discriminatory access to capital and to world markets, this would be shortsighted. On the other hand, I do not think that it is discriminatory to encourage Canadians to invest in Canadian enterprises and, in the forthcoming extensive review of our tax laws, we shall be examining whether more can reasonably be done in this direction.

Canada Development Corporation

The Canada Development Corporation, which is on the Parliamentary agenda, offers a vehicle for action in this area. I intend to bring the legislation to establish it before the House as soon as the Parliamentary timetable permits. In the meantime, we are looking closely at the form that this corporation should take. The Canada Development Corporation is primarily intended as a means of mobilizing savings for investment in Canadian enterprise and development. If it is to be fully effective, it should be more than just an investment fund which buys outstanding securities. It should be an active agent in the promotion of Canadian development and industrialization under Canadian control and management.