

or discourage it. Rather it seeks to ensure that future direct investments are of significant benefit to Canada, as well as to the investor.

Some of the important features of the Act: it is not retroactive, and does not apply to non-Canadian investment made prior to the legislation; it does not discriminate among investors on the basis of country of origin; it applies generally and is not confined to particular sectors of the economy; and finally, the emphasis is on business and economic performance standards. The Act sets out 'significant benefit to Canada' criteria against which business performance is assessed.

An indication of government policy regarding the activities and responsibilities of foreign-controlled business enterprises in Canada is contained in the 1976 *Guidelines for Multinational Enterprises*, adopted by the Organization for Economic Co-operation and Development (OECD). The guidelines seek to encourage positive contributions by multinationals to the economic and social welfare of the host country.

Masters chez nous

It is only natural that Canada, as an independent nation, should want to maintain effective control of its economic environment. In spite of an historical reliance on foreign capital, most recent capital requirements have been raised domestically. Measures have been taken to strengthen resident-controlled firms such as the establishment of the Canada Development Corporation, designed to provide a pool of capital funds for Canadian enterprises and to encourage the investment of Canadian savings in Canada.

In certain key sectors, legislation has been passed to ensure primary Canadian ownership and control. Examples include banking and other financial institutions, broadcasting, and newspapers.

Direct government participation in broadcasting, rail and air transportation, nuclear energy, and Arctic oil and gas exploration is another means of maintaining a Canadian "presence" in the more crucial areas of activity.

It is also natural that, being neighbours and sharing a large continent, Canadians and Americans should wish to take advantage of investment opportunities on either side of the border. Both countries recognize this, and recognize the need to manage this interplay for the benefit of both.

Welcome to our world

Quoting Prime Minister, Pierre Elliott Trudeau, "It is because of American capital investment, and the technology that came with it, that we enjoy one of the highest standards of living in the world"

In case you didn't know...

DIRECT INVESTMENT: Capital investment in a plant or a branch plant or subsidiary corporation in which the investor has voting control. Direct investment may also be in the form of a takeover in which a controlling interest is acquired in a firm previously controlled by residents.

PORTFOLIO INVESTMENT: Foreign investment in government bonds or in private securities which do not involve legal control of the enterprise (debt instruments or minority holdings of shares).

What is a multinational?

Technically, a multinational is any centrally directed company that owns or controls manufacturing or service

facilities outside the country. It is usually characterized along the following lines:

GLOBAL REACH

The term "multinational" as a rule is reserved for sizable enterprises with especially far-flung interests. For example, among the world's largest farm machinery manufacturers, Massey-Ferguson controls 68 plants and sells in 190 countries.

GLOBAL VISION

A striking feature of multinationals is their vision of the world as one economic unit.

CENTRAL DIRECTION

Multinationals have the capacity centrally to direct scattered empires according to long-range plans, although it is claimed distant joint ventures and subsidiaries may be autonomous in important ways.

GLOBAL FACTORY

Modern communications aid what has been called "the classic feature" of multinationals, namely the internationalization of production. Example: in a Detroit factory, Massey-Ferguson assembles for the Canadian market French-made transmissions, Mexican-made axles and British-made engines.

GLOBAL FINANCING

International bank consortiums are necessary to the flow of international capital. The Royal Bank of Canada is part of one major consortium, Orion Bank.

BORDER TWISTER

Below is the "skeleton" of a statement on Canada-United States relations by a well-known speaker. You can see the outline of the words, but most of the letters have been taken out of their boxes - except for a few we left in to give you a hand. These stolen letters have been used to make up new words, also dealing with Canada-U.S. matters, most of which you have already run across in this paper. These new words are the ones which go in the blanks in the 26 clues below, lettered from (A) to (Z). In each blank there is one dash for each letter in the missing word.

INSTRUCTIONS

To solve the puzzle, work out the words that should go in the blanks. Then use the little numbers written under each dash to transfer the letter back to the right box in the skeleton. After you have done this a few times, you will begin to see words forming in the skeleton, words that still have a few letters missing. If you are sure that you know what the whole word is, you can fill in the missing letters. These new letters can then be transferred from the boxes to the corresponding dashes in the blanks; the little letters in the bottom left hand corner of each box tell you which clue the letter belongs to. This may help you get clues you are not sure about.

Do not get this type of puzzle confused with a crossword - there are no vertical words in the skeleton. Answers may be found on page 20.

CLUES

(A) Two thirds of Canada's

147 121 105 226 75 236 132
go to the United States each year.

(B) The

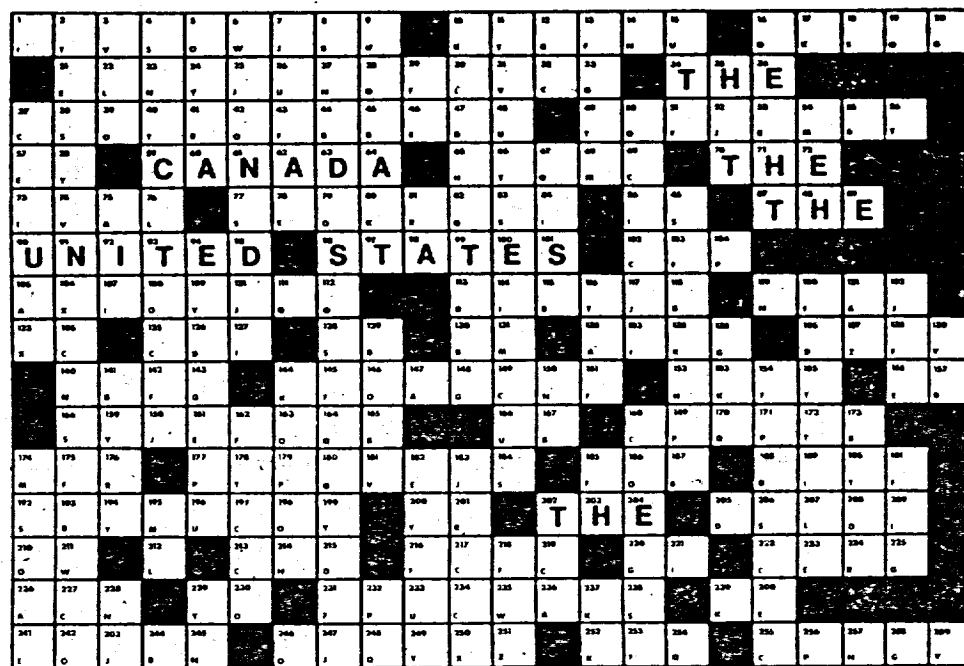
118 45 55 173 41 129 12 157

187 141 115 193 244 53 130 167 8
project in North Dakota has raised concerns in Canada over possible pollution of Manitoba waters.

(C)

219 234 149 255 102 32 124 227

168 37 213 217 197 222 69 125
was named the first full Canadian Ambassador in Washington in 1943.



(D) Canadian-born U.S. novelist Saul

205 188 113 47 126 136 recently
received the Nobel Prize for
literature.

(E) Prime Minister Trudeau and President
Carter have agreed that Alaskan nat-
ural gas from

161 78 21 182 223 57 241

46 156 240 should be shipped to
the rest of the United
States through a joint U.S./Canada
pipeline.

(F) The

191 231 154 29 133 253 103 145

162 175 216 142 51 138

218 43 185 151 13 120 is a profes-
sionals sports
federation with teams in both Canada
and the U.S.A.

(G) The

148 220 258 143 225 20 135 33
Line is an important part of the
co-operative North American air
defence establishment.

(H)

are the initials of the
152 65 American president with
whom Prime Minister Borden held
wartime meetings.

(I) The

1 127 221 85

Pact,
73 107 209 114 189 84
signed in 1965, regulates the most
important single item in Canada-
U.S. trade.

(J) The

52 122 183 7 247

River provides
25 160 117 110 243 access to major
U.S. and Canadian inland ports, and
was the focus of a large-scale joint con-
struction project in the 1950s.

(K) Peter Towe and Thomas Enders are
in charge of their nations'

17 134 239 252 80 10 153 237 144
in Washington and Ottawa.

(L)

is a U.S. border
30 207 212 22 76 state.

(M)

is the nickname
195 54 131 68 174 of a well-known
Canadian who has coached hockey
teams on both sides of the border.

(N)

The furthest advance of American
troops into the Niagara Peninsula
during the War of 1812 was halted
by Canadian forces at the Battle of

14 257 150 23 245 27

140 214 119 228

(O)

5 39 246 198 50 146 208 28

163 186 112

254 67 242 210 42 79 16 108 230
is the largest part of the Invisibles
sector of Canada's balance of trade
with the U.S.A.

(P) "Reciprocity", over which the 1911
Canadian federal elections were
fought, concerned a proposed agree-
ment with the U.S.A. to lower

171 169 256 179 177 232 104
and thereby promote trade.

(Q) The total of the number of Can-
adian territories or provinces
adjoining the U.S.A., plus the num-
ber of U.S. states adjoining
Canada (a river boundary counts,
but not a lake boundary), equals

164 248 82 19 170 111 180 215

(R) The Boundary

176 224 165 81 44 201 Treaty of
1909 established the International
Joint Commission (IJC).

(S) One of the IJC's first studies con-
cerned pollution in the Great Lakes,
which was causing outbreaks of

192 184 77 11 38 128 238

86 158 18 206 4

(T) Canada and the United States are
both in the Western

155 56 2 116

40 49 66 172 178 190

(U) The Ogdensburg Agreement and the
NORAD Treaty both relate to

matters.
15 196 233 26 166 9 48

(V) A is found
139 74 181 31 259 3
in both federal governments, but is
more powerful in the U.S.A. than in
Canada.

(W) are the initials for a
235 6 211 Canadian political party,
with which the Canadian Labour
Congress joined to form the NDP.
The action went against the policy
of non-participation in political
parties, enunciated by U.S. labour
leader Samuel Gompers, which
Canadian unions had followed
until this time.

(X) The (initials)

250 106 123 83 is the
Canadian federal body re-
sponsible, among other matters,
for regulations regarding the
rebroadcast of U.S. programming
on Canadian cable TV stations.

(Y) As the result of a realization that
our supplies of non-renewable
resources are not

109 58

159 200 194 229 249 24 199
but rather finite, Canada over the
last few years has been phasing
out traditional exports of oil and
gas to U.S. markets.

(Z) ! (An expression of relief,
137 251 common on both sides
of the border, at having reached
the end of such a puzzle as this.)