

What does all this mean? When we wrote a decade ago, we said that foreign direct investment in Canada is large, growing rapidly, mainly American and heavily concentrated in the resource and manufacturing industries. I think we can say much the same today, with the additional observation that the absolute increase has been greater than the relative increase, although the percentage shares of foreign ownership and control have also continued to grow at a significant rate. In manufacturing, only steel, textiles and beverages have escaped deep penetration from abroad. Writing ten years ago, we said:

"It appears probable that, given the continuation of present policies, there will occur a substantial expansion in foreign direct investment in Canada. For the economy as a whole, it is not unlikely that this absolute increase will be associated with a relative decline in foreign ownership and control. For certain sectors of the economy, however - and more particularly for those industries in which foreign investment is now dominant - it seems reasonable to expect that the non-resident share will continue to rise in relative terms as well. It is also to be expected that the major source of foreign capital in the years to come will continue to be the United States; although recent experience suggests that there may also be increasing capital inflows from the United Kingdom and Western Europe."

It would appear that our forecast has been largely borne out, except perhaps in one respect. We do not have figures for the total economy but, if we take totals for certain select major categories, including manufacturing, petroleum and natural gas, mining and smelting, railways, other utilities and merchandising, (not a bad figure for a major part of the total economy), the foreign-control figures show a relative as well as an absolute increase. In this respect our prediction was not borne out.

Perhaps in no other advanced industrial country, at any time in history, has foreign enterprise penetrated as deeply and occupied so extensive a role as it does in Canada today. Moreover, the fact that such a high proportion is held in one country of vast industrial power and influence in the world, makes this situation even more unique.

We turn now to a more interesting aspect of our subject: the meaning and effects of this wide-spread participation by foreign enterprise in Canadian industry. Here we can range a little more freely, unencumbered by too many facts. Facts are hard to come by in this field because you are dealing with the subtle, intricate, and highly secretive area of corporate decision making - an area of intelligence privy only to very few individuals who make up the directorates of our leading corporations. Our work in 1956 proceeded by way of case studies. Since that time a number of scholars have also tilled this ground. To a limited extent I can add a little knowledge based on personal experience. One can never be sure that information drawn from case studies is accurate. There is, however, a sufficient range of common findings to suggest that a few useful things can be said reliably about the behaviour pattern of foreign controlled corporations.