

3.09 *Energy* Extensive Canadian control of the important energy industry is maintained by the National Energy Board which was established by the National Energy Board Act in 1959. The Board has complete control over all stages of production, movement, sale or disposal of energy and sources of energy, wherever the Parliament of Canada has jurisdiction, (including the Territories) and over inter-provincial and international oil and gas pipelines and electric power lines. This control includes the licensing of construction, standards of construction and operation and the regulation of rates.

Recently the Government acted to prevent the takeover of one of Canada's largest uranium producers, Denison Mines Limited. It also announced regulations designed to maintain and encourage the growth of Canadian participation in the industry while permitting reasonable participation by non-residents.

While the energy industry is subject to Canadian control through the National Energy Board, as noted in Section 3.02, United States firms are dominant in the mineral fuels (oil and gas) production and distribution and in the important oil and gas pipeline industries.

In his testimony before the Committee, Professor A. E. Safarian of the Department of Political Economy, University of Toronto stated that more elaborate controls are not necessary in the energy industry:

... "because we have already developed a system of regulations so that the Federal interprovincial and international trade is backed up by an agency, the National Energy Board."

It appears from this brief review that the techniques which have been employed in these key sectors of the economy have been effective in preserving Canadian control with the exception of the oil and gas industry. Other sectors of the Canadian economy, however, have not been protected.

3.10 *The Multi-National Corporation* Much evidence was presented to the Committee with regard to very special problems resulting from the large number of huge foreign based corporations operating in the United States, Canada and many other countries in the world. Such corporations are often referred to as "international" corporations or "multi-national" corporations or "global" corporations. A study of these corporations has been completed recently by Professor Behrman for the Economic Council of Canada. He concluded that it was probably a misnomer to call these corporations "multi-national" or "international" as it is impossible for a company to claim more than one 'parent' government and that in any conflict of interest between the parent government and the host government a company would obey the dictates of the parent government. "It cannot possibly serve the interests of all governments dispassionately," he said, "nor can it be truly "international" or "multi-national."

While recognizing that the name may be a misnomer, for convenience the term "multi-national" corporation is used in this Report.

In giving evidence before the Committee and referring to the report of the Task Force on the Structure of Canadian Industry (the Watkins Report), Professor Rotstein described the growth and significance of "multi-national" corporations in striking terms:

"It was the Task Force's notion that we are dealing with something of far wider interest; what we are really dealing with is a global