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INVESTIGATION OF EFFECT OF U.S. EXPORT REGULATIONS ON CANADIAN COMPANIES

The Secretary of State for External Affairs, the Honourable Mark MacGuigan, and the Minister of Consumer and Corporate Affairs, the Honourable André Ouellet, announced today that the question of whether U.S. Export Administration Regulations may be influencing commercial decisions of Canadian companies and adversely affecting Canada's foreign trade had been referred to the Director of Investigation and Research for evaluation as to whether a formal inquiry should be instituted under the Combines Investigation Act. Mr. Ouellet referred the issue to the Director, Mr. Lawson V.W. Hunter, today.

The reference to the Director of Investigation and Research followed the recent decision by the U.S. to apply its regulations concerning oil and gas equipment and technology exports to the Soviet Union to foreign companies. Dr. MacGuigan has already characterized the extraterritorial application of these controls as an unacceptable infringement of Canadian sovereignty and a diplomatic Note expressing the Government's views was delivered to the State Department on July 7.

Under the provisions of the Combines Investigation Act any inquiry that the Director may conduct will be in private. If the Director believes it to be warranted after he has determined the facts, he may apply to the Restrictive Trade Practices Commission for orders to prevent Canadian companies from implementing foreign laws and directives in Canada to the detriment of Canada's foreign trade.