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CANADIAN ENTERPRISE UNDER FOREIGN CONTROL

Remarks by Mr. S.S. Reisman, Deputy Minister of Industry,
to the Association of Canadian Schools of Business,
Vancouver, B.C., June 15, 1965.

A decade or so ago I studied and wrote on foreign ownership and control of Canadian industry for the Royal Commission on Canada's Economic Prospects. This work was undertaken in partnership with Professor Brecher of McGill University with a strong assist from Professor Safarian of the University of Saskatchewan. Both these eminent economists have done further work on this subject since that time and are a good deal more "learned" than I can ever hope to be. Neither Dr. Brecher nor Dr. Safarian knows what I will be saying to you today and, indeed, may disagree with it strongly. While I am deeply indebted to them for my earlier education in this field, they cannot be held responsible if I turn out to be one of their flock who has gone astray.

There are deep personal conflicts in undertaking to speak on a subject many years after having written about it. I am sure that some of you have had similar experience. If you say that history and events have confirmed your findings, it sounds rather like smug, self-justification. In any event, why come all the way across a continent simply to say that you have not learned anything new these many years? On the other hand, if you claim many new findings, are you not rather admitting that you were quite wrong in the first place? I hope you will take all this into account when you come to appraise my remarks to you today.

Perhaps the best way to proceed is to look back at the conclusions reached a decade ago and to re-appraise them critically-against later events, and the newer and perhaps more profound research that has been conducted since that time and my own experience in the field over the past few years.

I would also like to devote a little time to one aspect of the subject which has received rather scanty consideration in the past. I am referring to the broad political and social aspects, the matter of national independence and our ability to survive as a nation. I would like also to say a few words about policy - what can we do and what should we do as a nation to resolve the dilemma presented by the fact of extensive foreign control of Canadian business enterprise.

First, a quick look at the factual background - at the numbers - then and now. Let me remind you that the first really solid statistical work on foreign ownership and control was done by the Dominion Bureau of Statistics ten years ago in response to requests by the staff of the Gordon Royal Commission. The data developed at that time have been up-dated and extended somewhat. Writing in 1956, we had to make do with data relating to 1953 and 1954. The most up-to-date published material available now relates to 1962.