

has been used in the case of Fruehauf whose subsidiary in France received an order from a French agency which intended to ship, I believe it was, trucks to China. It rejected the order, since it would get into hot water with the American government. It has a number of French shareholders, a minority, who raised an enormous row which then caused the French government to put Fruehauf into trusteeship whereupon the matter was ultimately effectively resolved and the order was shipped."

Professor Rotstein indicated he did not think that such trusteeship legislation would substantially impair the inflow of American capital:

"I think Mr. Servan Schreiber's latest book is not such as to indicate, even with the situation such as we have seen in France, the problem is one of American investments falling off. On the whole, all forecasts indicate some great expansion. It is my personal opinion that they will have, if any effect at all, marginal consequences."

The Committee recommends that, as an additional sanction, consideration be given to incorporating the proposal of trusteeship into the Canadian Ownership Law.

PART IV—AMERICAN-BASED TRADE UNIONS

4.01 *General*—In addition to considering American influence on Canadian corporations, it seemed relevant to review also American influence upon Canadian trade unions. Much of the information contained in this section of the report has been based upon reports published under the Corporations and Labour Unions Returns Act, and particularly the 1967 report.

In 1967 more than two million Canadians were members of local unions, 64 per cent of these were members of locals chartered by international unions. The term "international" union, like the term "multi-national" corporation, is probably a misnomer. In addition to having the majority of their members in the United States, international unions have their headquarters in that country. In only 12 of the 95 international unions reporting under the Corporations and Labour Unions Returns Act ("CALURA") did Canadian membership exceed 15 per cent of the total membership. In 62 international unions, the Canadian membership was less than 10 per cent: and in 23, less than 5 per cent. Nevertheless for purposes of convenience the customary term international union will be used in this report.

4.02 *Importance of International Unions in Canada*—Thirteen of the unions in Canada with a membership exceeding 25,000, six of the nine unions with a membership over 50,000 and two of the three unions having a membership in excess of 100,000 were international unions with their headquarters in the United States.

Practically all of Canada's major export industries, including the large industries in both primary and secondary activities such as automobiles, steel, pulp & paper, and chemicals were governed by the terms of collective agreements with Canadian branches of international unions. Indeed of the 15,676 collective bargaining agreements reported as in existence in Canada, 12,620 or 81 per cent were held by locals of international unions.

Of the 1.5 million members represented by the 117 unions affiliated with the Canadian Labour Congress, 79.1 per cent belonged to 82 international unions which were also affiliated with the A.F.L.-C.I.O in the United States.