

Foreign Firms Guidelines Are Outlined By Ottawa

OTTAWA (CP) — The federal government is asking Canadian subsidiaries of foreign firms to handle pricing, procurement, earnings disposal, resource development and related matters with the interests of Canada in mind, Trade Minister Winters has announced.

Mr. Winters told the Commons these economic guidelines are contained in a letter he is sending to the heads of the Canadian subsidiaries. He tabled the letter in the Commons.

The aim, he said, is to "help subsidiaries of foreign companies conduct their affairs as good corporate citizens of Canada."

The move was seen as a reaction to U.S. economic guidelines aimed partly at curbing investment by the foreign subsidiaries of U.S. firms.

Mr. Winters said the economic principles emphasize "the need for subsidiary companies to strive for maximum realization of their potential and for full participation in, and identification with, the life of the Canadian community."

The underlying objective sought was equally applicable to Canadian companies.

EMPHASIZES GROWTH

A key recommendation was for the retention of the subsidiary "of a sufficient share of earnings to give appropriate financial support to the growth requirements of the Canadian operation, having in mind a fair return to shareholders on capital invested."

Subsidiaries should also strive to allow opportunity for financial participation by the Canadian public in ownership.

There could be maximum development of market countries abroad as well as domestically.

Mr. Winters also said he intends to ask large- and medium-sized subsidiaries to provide certain information on a confidential basis on aspects of operations and financing.

"In this way the government will gain a clearer insight into the contribution of Canadian subsidiaries to the Canadian economy," he said.

QUESTIONS ASKED

Questionnaire forms providing a full explanation of the information being sought will be circulated within the next few weeks.

The letter also suggested:

1. Extension of the processing of natural resource products

where economically practicable.

2. Pursuit of a pricing policy "to assure a fair and reasonable return to the company and to Canada for all goods and services sold abroad including sales to the parent company and other foreign affiliates."
3. The searching out and development of economic sources of supply in Canada.
4. Development, as an integral part of the Canadian operation, of the technological, research and design capability necessary to enable the company to pursue product development programs to take full advantage of all markets.
5. Moves to develop a Canadian outlook in management with training programs, promotion of qualified Canadian personnel and inclusion of a major proportion of Canadian citizens on boards of directors.
6. Periodic publication of the financial position and operation of the company.
7. Appropriate attention and support to national objectives and government programs designed to further Canada's economic development and to Canadian institutions.
8. Pursuit of sound growth and full realization of productive potential in keeping with the national objective to full and effective use of Canada's resources.

AIMED AT GROWTH

Mr. Winters told the House he hoped the guidelines will facilitate the full participation of the subsidiaries "in our growth and development in line with Canada's trade, economic and social needs."

DECIDE LOCALLY

New Democrat Leader Douglas said the real problem with subsidiaries is that the decision-making power is outside the country.

The trade minister should "spell out a lot more specifically" the proposal that subsidiaries should be able to develop exports markets as fully as possible.

Three milling companies, subsidiaries of U.S. firms, refused to mill wheat because it was being sold to Russia for trans-shipment to Cuba, he said.

Washington had better get the idea that subsidiaries were subject to the laws and policies of Canada.

Creditist spokesman Gilles Gregoire (Lapointe) said more

processing should be done in Canada.

Both he and Social Credit Leader Robert Thompson said there should be no restriction of foreign trade of subsidiaries.

ADB Funds Reduced To \$10 Million

HALIFAX (CP) — Less than \$10,000,000 remains of a \$100,000,000 fund the federal government gave the Atlantic Development Board to stimulate economic growth in the Atlantic provinces, ADB Chairman Ian M. MacKeigan said here.

But, he added, he has been told there is more where that came from. Thus the board was not holding back in its recommendations for projects that might help regional development.

He said the \$91,211,000 already appropriated does not include \$30,000,000 in special grants for trunk highway construction.

On a provincial basis ADB grants had been made as follows: Newfoundland \$32,800,000; New Brunswick \$26,900,000; Nova Scotia \$22,300,000; Prince Edward Island \$7,033,000. About \$2,000,000 additional had been allotted for regional projects, mostly dealing with water pollution.

Electric power projects accounted for more than \$60,000,000 of the board's grants, Mr. MacKeigan said. Apart from Nova Scotia thermal plant announced this week there was the Mactaquac development in

New Brunswick, the Bay d'Espoir project in Newfoundland and the Maritime power grid in Nova Scotia and New Brunswick. Prince Edward Island would be linked to the grid when the Northumberland Strait causeway is completed.

The special highway grants provided \$3,000,000 to P.E.I. and \$9,000,000 each to the other three provinces.

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No Heavy Depletions Are Apparent In Fish

OTTAWA (CP) — Some fish species off Canada's coasts are now being exploited at their maximum yield but there are no indications of any serious depletion, Dr. A. W. H. Needler, deputy minister of fisheries, said here.

"We are not yet at the stage where more fishing effort will not increase the catch," he told the Commons fisheries committee. "But more fishing now will make catching a bit more difficult."

The harvest of Atlantic cod taken by Canadian and the foreign fleets that fish the western Atlantic was near the maximum possible. This situation was under review by the International Commission on the North Atlantic Fishery and restrictive steps are to be discussed.

Dr. Needler said there is full exploitation of salmon, herring and halibut stocks off the West Coast and studies have been going on in that area to determine whether new regulations are needed.

Two areas of high potential were being neglected. These were the various Atlantic pelagic fish—those that live in the upper levels of the ocean—and the Pacific bottom fish.

QUESTION ON INVESTMENT

He was replying to Angus MacLean, former Conservative fisheries minister, who asked whether scientists felt there was any justification for further investments in the fishing industry.

Mr. MacLean, MP for Quebec, said there has been a great increase in world fishing pressure. Unless there was careful control, a "free for all" could result.

Dr. Needler said the demand for fish is increasing faster than the supply, causing higher prices. But the basic stock of fish available had not seriously decreased.

Frank Howard (NDP—Skeena) said there is concern on the Pacific Coast about the herring fishery. This year's

catch was 180,000 tons compared to an average of about 250,000. Indians who gather herring spawn as food had reported a noticeable decline.

He said more attention should be given to the Pacific herring and the salmon catch which has also been dropping. Suggestions of a limit on commercial salmon-fishing licences had not been carried out.

Fisheries Minister Robichaud said attention is being given to both species. The question of a limit on salmon licences was getting further examination.

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Hon. J. Angus MacLean M.P.
TONIGHT CFCY - Radio 6.15 P.M.
AND ON Thursday, April 7 on CJRW at 6.10 p.m.
David MacDonald M.P.
TONIGHT on CJRW 6:10 P.M.
AND ON Tuesday, April 5 on CJRW at 6.10 P.M.

OTTAWA (CP) — Sales of farm implements, equipment and spare parts were valued at \$10,345,000 in January, an increase of nearly 20 per cent from last year's January total of \$8,639,000, the Dominion Bureau of Statistics reports. The figures were given at wholesale values and included repair parts sales amounting to \$3,663,000, up nearly 21 per cent from a year earlier. DBS said all provinces but Alberta recorded higher sales.

WINNIPEG (CP) — The need for practical nurses has induced the Manitoba Institute of Technology to double the number of places in its training program to 300. There were 1,553 practical nurses in the province in 1965.

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