rated long-range policy decisions designed to protect the corporation's earnings." This was quickly followed by the announcement that Domtex had bought the Linn-Corriher Corporation, of North Carolina, a yarn spinning and dyeing company, for $21.5 million.

Canadian-based subsidiaries

Canadian Pacific Enterprises (C.P.E.), formerly C.P. Investments Ltd., had long had substantial interests in the U.S. through its Canadian-based operating companies. For example, Cominco's U.S. subsidiary produces fertilizers, metals and electronic materials; Algoma Steel has coal mines in Virginia and iron ore properties in Michigan; Dominion Bridge does more than 60% of its business in the U.S. and is seeking aggressively to expand there. In addition, C.P.E. paid $22 million for the Syracuse China Corporation, of Syracuse, N.Y., which is a large supplier of chinaware and tableware to the growing food service industry in the U.S. If that seems an unlikely enterprise for a corporation usually associated with heavy industry and resources, William Moodie, then President of C.P.E., explained to shareholders in 1979 that investment in the relatively stable consumer section of the U.S. economy was protection against the cyclical swings in the resource sector. He added significantly, "still another of its advantages (that is, the investment in Syracuse) is its location in the United States, where we think conditions are more favorable at present than everywhere else. . .we are also influenced by the generally better understanding in that country, by government and the population as a whole, of business objectives and business achievements."

Noranda Mines Ltd. has a range of investments in the U.S. and a variety of motives for going there. Entering the primary aluminum business in the 1960's, it was more economical to jump the tariff wall and to produce in the U.S. than in Canada. "In the case of paper mills," said Chairman and President Alfred Powis, "the raw materials are in Canada, the market is in the United States, and the tariff is negligible on pulp but steep on paper." In fact, Noranda's paper mill in Maine receives pulp by pipeline from Noranda's mill in New Brunswick. "Mines are where you find them," said Powis, "and geology is no respecter of political boundaries." Noranda is developing mines in the United States to produce copper in Arizona, cobalt in Idaho, lead-zinc-silver in Utah, gold in California and Alaska, and phosphate in Florida. Powis adds that Noranda's manufacturing operations in the U.S. are generally an effort to use Noranda's technology to crack the U.S. market in circumstances in which it has outgrown opportunities in Canada. He too finds cheaper labour and capital, lower construction costs and a larger market in the U.S., but he also complains of more expensive energy and stifling regulations. For him Noranda is "primarily a Canadian corporation with a continental outlook and international investments."

It is usually easier to obtain information from large public corporations of the type mentioned above than from the small private businesses, but in 1978, Professors Isaiah A. Litvak and Christopher J. Maule surveyed 25 small and medium Canadian businesses which had established subsidiaries in the U.S. Reporting their findings in an article in *The Business Quarterly*, they said that the major reasons these companies established in the United States were the desire to maintain or increase market share; the opportunity to achieve faster sales growth in the United States than in Canada; the difficulties of reaching the U.S. market from Canada because of tariffs, transportation costs or nationalistic purchasing policies; and the desire to diversify the product line and markets. A surprising 21 of the smaller businesses also mentioned superior technology as a reason for entering the American market.

Publishing and communications

Canadian entrepreneurs are visible in many other sectors of the U.S. economy, and some of the activities are quite surprising. Canadian law prevents Americans from owning Canadian publications, but Canadian publishers have growing interests in the United States. Torstar, for example, which is a leading spokesman for Canadian nationalism in its daily, the *Toronto Star*, is currently buying U.S. magazines through its immensely sucessful publishing subsidiary, Harlequin Books. Southam Inc. maintains the principled position that "newspapers should be owned and operated within each country," but G.L. Meadows, Vice President for Corporate Development, says, "we would like to invest in other communications businesses providing there is a proper reason for so doing. We do not prohibit investment in other countries." In fact, its wholly owned subsidiary, Coles Book Stores, is expanding rapidly in the United States to take advantage of the large market and its marketing know-how. The Thomson empire, of course, knows no national boundaries, and at last count it owned 67 dailies and five weeklies in the United States. Canadian cable television companies are already well established south of the border and are competing briskly for new franchises.

Political posturing

American investment in Canada has been the cause for public debate and political posturing for years. Despite the pressure of nationalist groups and the promises of successive governments, not much has been done to control it, probably because the internationalization of business and the recognition of economic interdependence between countries has become increasingly obvious to all except the most extreme nationalists. Canadian investment in the U.S. and in other countries is now also becoming a matter for anxious discussion both in Canada and in the U.S., where there is talk of establishing a FIRA-like mechanism,