



STATEMENTS AND SPEECHES

INFORMATION DIVISION
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"AMERICAN INVESTMENTS IN CANADA"

Excerpts from an address by Mr. C.D. Howe, Minister of Trade and Commerce, to The Canadian Club of Chicago, October 15, 1956.

....These remarks are addressed particularly to United States businessmen who have investments in Canada or who contemplate making investments in Canada. At the outset, let me make one thing quite clear: the Canadian Government and, I have reason to believe, the vast majority of the Canadian people have welcomed, and will continue to welcome, investment from the United States. We are not allergic to outside capital.

It is well understood in Canada that to put obstacles in the way of capital imports would involve a cut-back in the Canadian rate of development. This is so partly because our need for capital exceeds our rate of savings, and partly because of the Canadian pattern of investment.

At the present time Canadians, individuals and corporations, are saving a higher proportion of their incomes than Americans. But even so, they are not saving enough to finance the current rate of capital investment, which is quite fantastic. The face of Canada is literally being transformed.

Since Canada is the freest of free countries and there are no obstacles to capital movements, inward or outward, some Canadians have chosen to invest abroad, as well as at home. It may come as a surprise to you to learn that, on a per capita basis, Canadians have invested more in the United States than Americans in Canada. The proportion in favour of Canadians is two to one.

The net result is that about three-quarters of Canada's current capital investment is being financed out of domestic savings, and the balance by imports of capital, mostly from the United States.

As I have said, we welcome this inflow of capital from south of the border. We welcome it the more because it has brought with it managerial enterprise, production and