

Continental Defence

More important in the eyes of Canadians, however, is the implication in your restrictive action on these commodities that our position in continental defence is not fully appreciated. If, for national security, the oil industry must be kept active and base metal production assisted, we do not readily see why we are left out. Is not Canada a full partner with you in the defence of the North American Continent? We occupy a portion of and have sovereign rights over all the northern part except Alaska. We are a tried and true ally--you have none better in the world. We are prepared to play our full part--as we have shown in the past--in the defence of human freedom. If we are to be strong in the military sense, we must also be strong in the economic field. We should be in your eyes a partner, not a competitor.

U.S. Investment Funds

There is a third field in which minor irritants can affect Canadian-American relations. You are all aware that there has been a heavy inflow of American capital into Canada in recent years. We have welcomed and we continue to welcome this inflow of American investment funds, and we have treated American investors the same way as we have Canadian investors.

A large portion of this capital inflow has gone into direct investment rather than into security investment, and with it, U.S. residents have acquired controlling interests over a wide area of resources and manufacturing industries in Canada. Now, most large U.S. Corporations are well briefed about developments in Canada. With all this expert knowledge at your disposal, we wonder why some of the policies of a number of the large U.S. Corporations, which have subsidiaries in Canada, are not more closely attuned to the needs and public sentiments of the country where these companies are doing a rather profitable business.

Broadly speaking, Canadians would like to see these foreign companies pursue policies leading to closer integration with the Canadian way of life without necessarily giving up control.

What are some of the specific things that subsidiaries of American companies can do to achieve greater integration with the Canadian way of life? They include:

1. Offering Canadians opportunities to buy equity stocks in the subsidiary companies operating in Canada.
2. Encouraging and training Canadian personnel to take an increasing part in the management and professional positions in subsidiary corporations.