

with respect to most of their raw materials, Americans are buying these products in our country at internationally competitive prices.

U.S. Participation in Canadian Economic Development

Now I do not want to give the impression that Canadians feel they are doing Americans a favour by selling all these raw materials required by the rapidly expanding American economy. It is to our advantage for a number of reasons. We use the proceeds from our American sales to buy from you other raw materials and foodstuffs which we require: coal, cotton, fruits and vegetables. We also buy from American industry at a competitive price a multitude of capital goods and other finished products of high quality.

Further, United States capital and management frequently participate in the development of some of our resources industries, and this in turn contributes to speeding up our own domestic economic development. Canadians welcome the participation of American businessmen in the industrial expansion of our country. Canadians are not worried about foreign exploitation. In our country the American businessman receives the same treatment as the Canadian businessman. He gets the same benefits as are offered to the enterprising Canadian. He pays no capital gains tax. He can get special write-offs for exploration, development and research expenditures. He can get liberal depreciation allowances at rates which in some fields, I understand, are about double yours. Freedom in the movement of capital makes it possible for Americans to bring money into our country or take it out, whichever is in their best interest.

Post-war experience shows that most American capital coming to Canada has stayed because of the great many opportunities for profitable investment. At times, in fact, heavy capital inflow from the United States has been an important factor in keeping the value of the Canadian dollar above the American. Not everybody in Canada is too happy about the premium - it makes it harder for Canadian industry to compete in foreign markets. But what can we do if American businessmen get so enthusiastic about Canada's long-term prospects that they send hundreds of millions of dollars into our country for investment purposes?

In short, Canadians do everything they can to make Americans feel at home in Canada - to do well in business as well as to have fun while vacationing.

Canadians Believe in Multilateral Trading

Well, I have portrayed the bright side of Canadian-American relations. We like to do business with Americans. It is to your advantage just as to ours. Both countries benefit from the economic use of available resources. Canadians are, I believe, willing to abide by the results of a multilateral trading system. They are ready to take their chances and let private enterprise show what it can do to further individual and national well-being. But Canadians would also like to see their major trading partners pursue similar policies.