

We are co-operating in defence measures -- why not to a greater degree in economic matters? The joint United States-Canadian Cabinet Committee on Trade and Economic Questions will meet in Washington in early October, and Canadians hope that this matter can be resolved by mutual agreement which will provide for a fair and reasonable solution of the problem of the disposal of wheat and other agricultural surpluses.

One other matter deserves comment in the interests of clarification. Capital from the United States has played an important role in the development of Canadian resources. We welcome this investment and intend to continue to provide the best foreign investment climate in the world. The heavy influx of American investment has resulted in some 60 per cent of our main manufacturing industries, and a larger proportion of our mine and oil production, being owned and controlled by United States interests. In that investment what Canadians ask is that full account be taken of the interest of Canadians in the policies that are followed in the direction and use of that capital.

There would be no potential harm in external ownership as long as companies engaged in these industries are developed in Canada's interests, and their policies take account in their direction of the interests of Canadians.

There is an intangible sense of disquiet in Canada over the political implications of large-scale and continuing external ownership and control of Canadian industries. The question is being asked: "can a country have a meaningful independent existence in a situation where non-residents own an important part of that country's basic resources and industry, and are, therefore, in a position to make important decisions affecting the operation and development of the country's economy?" Canadians ask that American companies investing in Canada should not regard Canada as an extension of the American market; that they should be incorporated as Canadian companies making available equity stock to Canadians. That there is cause for questioning seems clear when I tell you that it is estimated that of American-controlled firms operating in Canada not more than one in four offers stock to Canadians.

There are other problems but time denies reference to them. What I have said is not spoken in a spirit of truculence or of petition. My purpose is to have removed causes for disagreement which, unsolved, may diminish the spirit of understanding which is characteristic of our relationship. We in Canada and the United States are such close neighbours and have so much in common that it is hard to realize that we are bound to have some differences. We are united in the great cause of freedom and democracy. In our military alliance there is the closest co-operation between us. In the fundamental things of life we have no differences. Our comradeship knows no closer alliance in the world. Let it not be said that we cannot achieve a similar spirit of co-operation in economic affairs.

Joint Heritage of Freedom

The message I am trying to convey is epitomized by the words used by President Eisenhower in the Canadian House of Commons on November 14, 1953: