

Canada participated in these negotiations -- on agreement by the other parties -- as a country with special trade problems and agreed to grant reciprocity for concessions received, although not entirely across the board.

### Foreign Investment Capital

External capital has always played a significant role in Canada because scarcity of domestic capital has often put limits on the pace of development and expansion. Thus, in a country in which transportation facilities have been a major necessity, a considerable proportion of non-resident capital was used in early years to finance canals, roads, railways and similar needs.

In more recent years, external capital has also helped to finance new industries, mines and sources of power and to expand such industries as pulp and paper, non-ferrous smelting and refining, chemicals and petroleum.

But as the country grows, and continues to improve its earning power and its rate of savings, Canadian participation in the ownership of industry should gradually expand. At the same time, so far as the international company is likely to continue to play a large role in the Canadian economy, it is considered important to work in the direction of maximizing the benefits arising from foreign participation and minimizing any disadvantages which may arise from exposure to foreign decision-making.

To this end, a statement of the basic essentials of good corporate citizenship was enunciated early in 1966 and communicated to foreign-owned subsidiaries in the form of a letter from the Minister of Trade and Commerce setting forth "Some Guiding Principles of Good Corporate Behaviour". Response to this letter indicated a broad measure of agreement and conformity with the basic intent of the "Principles".

### Canada and International Organizations

Because of the traditional strong feeling of Canadians for a multilateral approach to working out trading relations, Canada has consistently supported various international organizations in the commercial and aid fields. Among these are the Food and Agriculture Organization (Canada was host to the founding conference), the Colombo Plan, the World Bank, the International Development Association, the United Nations Development Programme, the Inter-American Development Bank and the African Development Bank.

The importance of the international financing organizations, especially for the developing countries, is not underrated in Canada. Scores of projects in these areas have been designed and supervised by Canadian consulting engineers and aerial-survey companies and numerous Canadian manufacturers have provided capital goods and equipment, industrial raw materials and components under these programmes. In the year ended June 30, 1966, some 55 companies supplied agricultural equipment, industrial machinery, equipment for power-stations and power-transmission, communications equipment and other products through World Bank financing. Procurement under International Development Association loans in the year ended June 30, 1966, involved some 50 Canadian companies supplying, among other products, diesel locomotives, construction materials, aluminum cables, and irrigation and communications equipment. As a further example,