cases, Canadian subsidiaries have been named in the United States actions as co-conspirators: more often however the parent companies are named and the parent companies and their officers and their directors are required to force Canadian subsidiaries to comply with the detailed regulations contained in the consent decrees.

Under Canadian law it is the duty of directors and officers of any Canadian corporation, even though it may be a subsidiary of an American corporation, to act in accordance with Canadian law and with the best interests of the Canadian corporation itself. It will be seen that the extraterritorial application of the United States laws to directors or officers of Canadian subsidiaries who are Americans subject to American laws creates a direct conflict between their duty to obey American laws and their duty, under Canadian law, to promote the best interests of the Canadian corporation.

Canadians have been indignant at the application of American anti-trust laws in cases where the United States authorities attempted to require records of Canadian companies to be presented before United States courts, and several provinces of Canada have taken action to prevent this. There have also been cases where Canadian corporations have been prevented from buying American subsidiaries, as for example when Molson's Brewery was prevented by the United States Department of Justice from buying a brewery in the United States.

There is evidence that in some cases the application of American anti-trust laws has had a beneficial result on the development of industrial competition in Canada: for example the Aluminium Company of Canada is a result of anti-trust action taken in 1937 against Aluminum Company of America. Similarly Schlitz Brewery was required by United States anti-trust action to divest itself of the ownership of Labatts Brewery, and it was United States anti-trust action against Dupont in the United States which resulted in the establishment of Dupont Canada and Canadian Industries Limited as separate Canadian companies.

American intrusion has also involved disadvantages. Officers and directors of Canadian subsidiaries of America parent corporations are well aware of the implications of United States anti-trust statutes and more specifically the consent decrees which apply to wide areas of Canadian industrial activity in the mining and manufacturing fields; and in most cases they comply with such laws and regulations. Undoubtedly the result has been that to some extent rationalization of the much smaller Canadian market through mergers or joint ventures has been prevented because of the fear on the part of American companies and their officers and directors of the application of United States anti-trust laws. It is impossible to calculate with any degree of accuracy the cost to the Canadian economy and the Canadian public of the resulting inefficiency and duplication of effort.

In any event, whether the application of United States anti-trust laws has on balance been beneficial or otherwise (and it is impossible to determine this accurately) it is entirely clear to the Committee that it is inappropriate for Canadians to rely upon United States anti-trust laws to enforce the appropriate degree of competition within Canada and that if such action is required, it should be done under Canadian legislation: the American writ should not run in Canada.

Canada is not the only country to be affected by the extraterritoriality of United States anti-trust laws. The Netherlands has legislation which forbids compliance by Dutch firms with foreign anti-trust orders or judgments.