

## HOUSE OF COMMONS

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**Monday, March 7, 1966**

The house met at 2.30 p.m.

### TRANSPORT AND COMMUNICATIONS

#### MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

**Mr. Joseph Macaluso (Hamilton West)** presented the second report of the committee on transport and communications and moved that the report be concurred in.

He said: The second report of the committee on transport and communications asks permission to sit for tomorrow only while the house is sitting.

**Mr. Speaker:** The report should be read before the motion is made.

*[The Clerk Assistant having read the report of the committee:]*

**Mr. Speaker:** Does the house agree to the motion?

**Some hon. Members:** Agreed.

Motion agreed to.

### TRADE

#### CANADA-U.S. MINISTERIAL MEETING— REPORT BY MINISTER

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the house will recall that early in February the Prime Minister announced plans for the tenth meeting of the Joint Canada-United States Ministerial Committee on Trade and Economic Affairs. This meeting took place last Friday and Saturday in Washington. With the co-operation of the house it was possible for me and my colleagues, the Ministers of Trade and Commerce, Finance, Industry, Mines and Technical Surveys and Agriculture, together with the Governor of the Bank of Canada, to meet with a United States delegation led by Secretary of State Dean Rusk and including Secretaries Fowler, Connor and Freeman. I now wish to table the English and French language versions of the communiqué issued at the end of the meetings. For the convenience of hon. members, the house might wish the text of the communicate to be printed as an appendix to today's *Hansard*, as was done in other years.

**Some hon. Members:** Agreed.

**Mr. Martin (Essex East):** Mr. Speaker, the communiqué records the nature of the discussions and agreement reached on a number of subjects of concern to Canadians and of great significance for Canadian-United States relations. Naturally, a document of this kind cannot do full justice to the spirit of understanding and friendship in which the meetings took place, nor to the fullness and vigour of the exchange of views we had on a wide range of subjects of common interest, both in the meetings and on the various other occasions which provided me and my colleagues with opportunities for private and less formal discussion with our United States counterparts.

• (2:40 p.m.)

May I draw the attention of the house to the references in the communiqué to three of the specific subjects which we raised at the meetings: the United States balance of payments program; the proposed S.E.C. regulations on "over the counter trading in securities"; and the United States foreign assets controls which affect trade with countries such as Communist China and Cuba.

We reiterated in some detail our views on the implications for Canada of the United States guide lines regarding direct investment as they have been commonly understood, and our objections to them. The United States response made it clear that there is no thought that these guide lines given to their corporations should lead to companies in Canada being requested to operate other than in accordance with their normal commercial objectives.

The United States secretaries explicitly recognized that companies in Canada should be governed by Canadian national interest as good citizens of this country. As the communiqué states:

The committee discussed the balance of payments of both countries. They recognized that decisive progress had been made toward reducing the United States balance of payments deficit and reviewed measures being taken to bring the U.S. external accounts into balance. In this connection, the committee noted measures that have been taken to maintain access to the U.S. capital market for an unlimited amount of new Canadian securities free of interest equalization tax. The United States members reaffirmed that in buying such issues U.S. investors were completely free to be guided by market considerations.