

Act which in their view have the effect of discriminating retroactively against a bank in Canada owned in the United States. Canadian Ministers took a different view of the effect of the Bank Act, and stressed the importance of effective Canadian ownership of major financial institutions. They reiterated Canada's intention to encourage increased participation by Canadians in the ownership and control of Canadian industry while continuing to maintain hospitable climate for foreign investment.

Canadian members, also drew attention to the problem arising from the effect which certain United States laws and regulations may have upon Canadian companies, especially as regards securities regulations and foreign assets control but noted that good progress had been made in dealing with particular aspect of the problem. The Committee agreed on the desirability of an exchange of information in the securities field that would benefit investors in both countries.

The Committee examined results achieved under the Automotive Agreement of 1965. Despite fluctuations in demand and the continuing process of adjustment the industry is making progress in rationalization and efficiency, and trade in automotive products between the two countries has expanded substantially to the benefit of both producers and consumers. They noted that a comprehensive review of the Agreement was to begin later this year.

The Committee discussed energy relations between the two countries. They recognized the common interest in the orderly expansion of trade in energy resources and discussed the kinds of facilities which might be needed to serve efficiently the development of this trade. The Committee noted the recent decision of the Federal Power Commission which, in approving the transmission of natural gas to Eastern Canadian and border states customers, referred to the community of interest in this project and to its security advantages.

The Committee discussed a number of bilateral questions of current interest to the two countries. United States members urged that Canadian tourists returning to Canada from the United States be given duty-free allowances equivalent to those given Canadian tourists returning from overseas areas. They also requested that Canada accord official recognition to Bourbon whisky as a distinctive product of the United States.

Canadian Ministers referred to the desirability of expanding the area of free trade in agricultural machinery, tractors and equipment and it was agreed that this matter should be examined jointly with a view to working out mutually satisfactory arrangements. They also urged the elimination of the manufacturing clause in United States copyright legislation and the relaxation of restrictions on United States imports of aged Canadian Cheddar cheese. Canadian members drew attention to the problem created from time to time because of the cross border movement of relatively small quantities of agricultural products at depressed prices usually at or near the end of the marketing season. The Committee agreed that continued efforts would be made to work out acceptable solutions to these problems. Other topics discussed included trade in lead and zinc, and the St. John River Development.

The Committee expressed pleasure that agreement had been reached regarding winter maintenance for the Haines Cutoff portion of the Alaska highway and discussed possible improvement in the Alaska highway system.

The Committee took note of the studies at present being undertaken by the International Joint Commission, which, at the request of the two governments, is investigating a number of questions of economic and general public interest relating to boundary waters and pollution of air and water.

Meetings of the Joint Ministerial Committee have in the past been held alternately in Ottawa and Washington. On the occasion of the centennial of Canada's Confederation, this meeting was held in Montreal which provided an opportunity for members of the Committee to visit Expo 67.

The United States Secretary of State, the Honourable Dean Rusk and the Canadian Secretary of State for External Affairs the Honourable Paul Martin were unable to participate in the meeting as planned because of the emergency session of the United Nations General Assembly. The United States was represented by Secretary of the Treasury the Honourable Henry H. Fowler (Chairman of the Delegation) United States Ambassador to Canada, the Honourable W. Walton Butterworth; Secretary of Agriculture, the Honourable Orville L. Freeman; Secretary of Commerce, the Honourable Alexander B. Trobridge; Under Secretary of the Interior, Honourable Charles F. Luce; Chairman of the President's Council of Economic Advisers, the Honourable Gardner Ackley; Assistant