

appropriate and more likely to be effective than attempts to enforce the controls through extending jurisdiction.

I would like today to make the following statement of the Government's position on this matter so as to provide our Embassy in Washington with a further basis for representations to the appropriate U.S. authorities involved in finalizing the legislation for renewal of the Export Administration Act and to inform the Canadian public of the Government's concerns respecting this U.S.A. legislation.

The Export Administration Act will expire at the end of March and Congress is now considering successor legislation. Proposals for renewal of the current Act would reassert U.S. authority to control the export activities of foreign subsidiaries of U.S. multinational enterprises and nationals residing abroad, as "persons" subject to U.S. jurisdiction. These proposals also assert the authority to control the export or re-export of U.S. origin goods and technology even if in the possession of foreign licensees or others who are not subject to U.S. jurisdiction. In addition, the Senate bill contains a provision to enforce national security controls in an extraterritorial manner through import controls.

These proposals are of obvious concern to Canada in view of the very significant number of Canadian subsidiaries of U.S. corporations operating in this country. While we have common interest in effective controls for national security reasons, the United States also restricts exports of non-strategic goods with a number of countries for its own foreign policy reasons. On occasion, efforts are made to extend U.S. law to companies and goods in Canada in ways which interfere with the commercial activities of firms operating in Canada, and therefore, which affect adversely Canadian trading and other sovereign interests. This is unacceptable to the Government of Canada.

Corporations which are nationals of Canada and which produce goods and services in Canada are subject only to the laws of Canada in respect of their exports to third countries. Assertions of jurisdiction which displace a government's authority over multi-national enterprises incorporated and operating in Canada are an unacceptable intrusion into the foreign commerce and other sovereign interests of Canada.

In those cases in which export controls extending beyond strategic materials are proposed for foreign policy reasons, I am convinced that consultations with foreign governments are more appropriate and more likely to be