

achievements in Canada. This endeavour to let Canadians know how this company is doing with respect to operations in Canada was well received. It could serve as a useful guide to those who feel as I do that it is good business to treat branch plants in Canada as thoroughly Canadian enterprises.

These are my three specific recommendations. I believe they are worth careful consideration. I believe their adoption will be in the interests of United States corporations with subsidiaries in Canada. There may be other ideas equally good which serve the same purpose. Be assured of one thing, that my purpose is to improve business relations between the United States and Canada by giving Canadians a greater interest and a greater stake in the success of United States companies operating branch plants across the border.

Before leaving this subject, there is one other point very close to my heart as Minister of Trade and Commerce which I put before you for consideration. Branch plants are usually established to do business in the area they serve. But I ask you again to bear in mind that a branch plant in Canada is not the same thing as a branch plant in California or Louisiana. A Canadian branch plant is situated in a country that depends for its very existence upon international trade. It is situated in a country which maintains an external trade service which others tell us is second to none and which is ready to serve any Canadian enterprise, whoever owns it.

Too often, I regret to say, our trade representatives abroad turn up export opportunities for a subsidiary company operating in Canada only to find that the United States parent does not permit the export business to be done from the Canadian plant. Mind you, we do not object to doing occasional export promotion for United States corporations, but you will agree that it is rather difficult to justify the expense to the Canadian taxpayer!

Once again I recognize that there are problems. But I do plead for a careful re-examination of export policies affecting Canadian branch plants. Canada as a nation is an efficient producer. Given sufficient volume, Canadian plants can often produce as cheaply as United States plants. Sometimes, too, Canada has an advantage in duty in supplying goods to countries of the British Commonwealth; indeed, many plants have been established in Canada just to take advantage of this preference. I am not suggesting that United States corporations should act contrary to their interest. I am suggesting that they may be overlooking a good bet by not allowing their Canadian plants to take on more export business. By being prepared to accept export business United States-controlled subsidiaries will also act more like good, solid Canadian enterprises.