

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 a 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 regulation and foreign assets control but noted that good progress had been made in dealing with particular aspects 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 state 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,