

corporations which have invested in Canada have made a genuine and successful effort to be Canadian and to act in that spirit, but there are many others which through either thoughtlessness or for other reasons, and in some cases perhaps as a result of deliberate policy, have created Canadian resentment. I refer in particular to the policy of some very large United States corporations of establishing subsidiaries in Canada and denying to Canadians any opportunity whatever of participating in the ownership of stock in such companies, especially when they are engaged on a large scale in the development of Canadian resources. We have sought by the creation of tax inducements to encourage such corporations to admit investment by Canadians in the stock of these Canadian corporations. We often hear complaints as well that in such relationships the United States parent corporation often excludes the Canadian corporation from selling its products in certain markets and controls the purchasing policies of the Canadian subsidiary in a manner which consciously diverts its buying away from Canadian sources. We also hear complaints that inadequate efforts are made to train Canadians for advancement to executive status, and that the Canadian subsidiaries are also sometimes unnecessarily discouraged from engaging in research. These policies of which Canadians complain cannot be cured by any action on the part of the United States Administration. Indeed, I am quite certain they are disapproved of by the Administration of this country. I bring them before you in the hope that in doing so we may assist American investors in understanding the feelings of Canadians in such matters. They are the same feelings as would be entertained by Americans if the positions were reversed. In the interests of good public relations more careful thought should be given to these aspects of investment and management policy.

### Conclusion

The coming months will be eventful for trading and economic relations between Canada and the United States. The Trade Agreements legislation will be coming before Congress for renewal. We shall also know the terms upon which the General Agreement on Tariffs and Trade can be renewed. I do not need to tell you that Canada will be watching the development of policy at Washington with the closest possible interest.

I have spoken frankly, as only friends can do. It is because Canadian trade and economic relations with the United States are so important to us that I have laid such stress upon matters that give the Canadian Government and the Canadian people deep concern.

These two countries have a responsibility to be an example to the world. They cannot fail in their common duty to build bridges of understanding and good will. We Canadians give our testimony to the world that we are the free and willing allies