

with normal commercial marketings. They also re-affirmed that barter contracts must result in a net increase in exports of the agricultural commodity involved. In order to give effect to these assurances, insofar as they related to exports of wheat, flour and other grains, it was agreed that, in addition to other consultation, quarterly meetings of wheat experts from the two countries should be held in an attempt to solve periodically any problems involving wheat and flour, including those arising from United States surplus disposal operations.

The Committee agreed that agricultural surpluses should be used to alleviate distress arising from famine and other disasters throughout the world, and could also help to promote the economic development of less-developed countries. They agreed that the two Governments would keep each other informed of programmes intended to serve such purposes.

Some aspects of the relations between Canadian subsidiaries and their parent companies in the United States came under examination. The Ministers reviewed the arrangements made last summer under which the United States undertook to consider licenses to parent companies in the United States on a case-by-case basis which would relieve them from the prohibition against transactions with Communist China insofar as their Canadian subsidiaries were concerned.

The anti-trust proceedings recently launched in the United States Courts against the parent companies of Canadian subsidiaries in respect of the participation of those subsidiaries in Canadian Radio Patents Limited were also discussed. The Canadian Ministers expressed their concern over the extra-territorial effect of the decree sought by the United States Department of Justice and the implications of such action with regard to control over Canadian companies acting in conformity with Canadian laws and Canadian commercial policy. United States representatives emphasized that their Government's policy is based upon the enforcement of United States law companies doing business in the United States and that their Government has no intention of infringing upon the sovereignty of the Canadian Government with respect to companies engaged in business in Canada. It was agreed that the general questions involved would be the subject of further discussions between the two Governments at the Ministerial level, and arrangements are being put in hand accordingly for a meeting.

The United States representatives reviewed with the Canadian Ministers the proposal for a new International Development Association to be affiliated with the International Bank, and the Canadian Ministers agreed to study it.

The members of the Committee expressed their renewed realization of the value of their meetings, which afford opportunities for intimate consultation on matters of common interest to the two countries in their trade and economic relations.