

There are no such laws in Canada. I hope there never will be. I believe that those who are prepared to share with Canadians in the risks of developing our country should be as free as Canadians themselves in deciding how to conduct their enterprise.

Nevertheless, anyone who does business in Canada should reckon with the pride and the legitimate pride of Canadians in their country. In other words, they should reckon with the normal feelings of nationalism which is present in Canada, just as it is in the United States. Canadians do not like to be excluded from an opportunity of participating in the fortunes, good or bad, of large-scale enterprise incorporated in Canada but owned abroad. They may not buy many shares, but they resent the exclusion. They do not like to see large-scale Canadian enterprises entirely dependent upon foreign parents for their research and top management. They do not like to see the financial results of large-scale Canadian enterprises treated as if they were the exclusive concern of the foreign owners.

I make bold therefore to offer three suggestions for the consideration of United States corporations establishing branch plants in Canada or searching for and developing Canadian natural resources:

- (1) Provide opportunities for financial participation by Canadians as minority shareholders in the equities of such corporations operating in Canada.
- (2) Provide greater opportunities for advancement in U.S.-controlled corporations for Canadians technically competent to hold executive and professional positions;
- (3) Provide more and regular information about the operations of such corporations in Canada.

I am pleased to say that an increasing number of American companies are now giving Canadians an opportunity to participate in the equity holdings of Canadian-operated enterprises. This is an encouraging trend. Canadians welcome this development, not just because it is in Canada's national interest, but also because we think it makes good business sense from the point of view of the American parent corporation.

I was told that Canadian taxation discouraged Canadian participation in Canadian subsidiaries. If it did, that particular obstacle has been removed, at least insofar as Canadian law is concerned.

The agreement for the avoidance of double taxation between the United States and Canada provided for certain tax advantages for parent companies controlling 95 per cent or