

firms from conducting normal export business with Cuba, clearly has extraterritorial effect. You will be aware of the recent cases illustrating this problem. Although Canada is not the only country affected, the extent of United States business in Canada makes it a particular factor in Canada/United States relations. Clearly, Canada cannot accept extraterritorial application of the laws of any other nation.

This problem has been discussed periodically by successive Canadian and United States Governments without a resolution satisfactory to Canada. If consultation is to be used in this instance as I think it should be, it would be our objective that the outcome would be that the companies doing business in Canada would not be deterred by United States law or by corporate policy made in the United States from doing normal export business. Indeed, I have initiated discussions with the United States authorities with a view to finding a satisfactory solution to this problem.

You will be aware that amendments to the Auto Combines Investigati Act are currently before the House of Commons. When passed, these amendments will enable the Restrictive Business Practices Commissi to issue directives prohibiting Canadian companies from obeying foreign laws and orders.

It is our hope that this will solve a large part of the problem. What is needed, in addition, is a change in United States law and practice so that Canadian companies will be able to pursue normal export business in a manner consistent with Canadian law and polic

To sum up, we are in a new stage in our relations with the United States. These relations are fundamentally sound but there can be no doubt that this new phase will be more difficult and complex. Hence the need for careful management of our relations by both parties is greater than ever. It is for this reason that I want to conclude with a strong plea for the merits of the consultative approach. For Canada, it is, after all, the only sensible way to conduct business with the United States, the first among all our partners.

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