Several firms have acceded to the expressed wishes of the Canadian Government in this matter... The Government has made it very plain it expects other companies to follow these examples.

More recently, the Government has proposed a further step in its programme of retaining and gradually of increasing Canadian control of key sections of the economy. Legislation affecting future foreign ownership of federally-incorporated life-insurance, trust and loan companies has been introduced in Parliament. It has been announced that a similar policy will apply to chartered banks. The legislation will provide for continuation of existing Canadian control over these financial institutions. The importance of this step is obvious. It will ensure that the direction of the investment of the huge pools of savings in the hands of these companies will rest with Canadian boards of directors and management -- not with people in other countries who do not have the same close knowledge of, and interest in, Canadian development.

The legislation will also widen the investment powers of insurance, trust and loan companies, including the ability to invest a greater proportion of their assets in common shares. It is hoped and expected that the easing of present restrictions will encourage these institutions to use their funds to increase the degree of Canadian ownership in enterprises in this country. The new measures should reinforce the policy begun last year to encourage Canadian partnership in foreign-controlled companies.

These new policies which have been introduced by the Government in the last year and a half are fair and they are reasonable. They do not constitute, as some have suggested, a harsh and repressive climate in which foreign investors cannot develop with and profit from our country's growth. We should not -- and have no desire to -- penalize established companies which have invested in Canada in good faith. And we must bear in mind that, for some time to come, Canada will need foreign capital in one form or another.

Furthermore, the measures we have taken are far from being unusual or unique. Other industrialized countries have acted to influence and direct the nature and degree of foreign investment in their industries. Among them are such countries as Switzerland, France, Sweden and Japan. Other countries have taken the further step of ensuring that their financial institutions do not pass into non-resident hands. And yet none of these countries is in quite the same situation as Canada, where the extent of foreign control is much greater and where the bulk of it rests within a single, very powerful and vigorous, though friendly, next-door neighbour.

Let us be realistic about this question. There is a price to be paid for Canadian independence. So far in our strenuous but, for the most part, successful history, Canadians have been willing to pay that price when the issues were made clear to them. In this case the issue we have been discussing is not easy for most people to comprehend. Let me put it to you this way:

There is no country in the world that can make any pretense of being independent if it does not control its own communications media, its own financial institutions and, in one way or another, the general nature of