

raw materials? Such controls could easily do us more harm than good. Surely at this stage of our economic development we should continue to export large quantities of raw materials as essential to our prosperity and employment, and also to our steadily increasing industrial strength itself.

We are steadily increasing, as we should, the manufacture of raw materials in Canada, and this will grow as we develop new markets at home and abroad, new skills and new manufacturing facilities. This process should be assisted by carefully designed governmental policies, but should not be stimulated by artificial expedients. We have had enough unhappy experience over the last thirty years to recognize the fallacies and the perils of trying to force economic industrial and agricultural growth in the name of economic nationalism.

Economic and trade policies based on short-sighted considerations could do more harm to Canada than to most countries. It is because we have taken the long view of our national interest that the foundations of our economic structure are strong; until today Canada has achieved an important position among the nations of the world; a position which has been buttressed by the development since the war of basic industries. This development, which has been unprecedented, would not, I think, have been possible without the participation of United States venture capital and technical knowledge. We should be very careful, therefore, not to discourage such participation by ill-considered and unfriendly talk. We can't kill the goose, but she may decide to lay her dollar eggs somewhere else.

I am not suggesting that the possible impact of outside and, above all, American investments in Canada may not have important results for our future; or that great care must be taken by governments on all levels to ensure that those results are good. Corporations and investors from outside who come to Canada should be warmly welcomed, but if they are to share in our national progress, they should become rooted in the national community to the maximum possible extent. The experience of recent years has shown that there is no other sound basis for foreign investment.

But this does not mean adopting on our side a narrowly nationalistic and prejudiced attitude; indulging in intemperate language, or striking suspicious attitudes at the expense of those whose co-operation — political and economic — we need.

It is far better to adopt a positive approach to this problem of national development and by our laws, policies and actions to encourage Canadians to supply more and more venture capital and management for enterprises in Canada.

This will be a more helpful and constructive course than merely to lament over the extent to which Americans contribute what we need, but which we do not or cannot ourselves provide.

With pride in our development, with confidence in our future, with satisfaction in the position we have achieved in the world, pessimism of the kind which sees Canada falling under the grasping domination of any other country is both unrealistic and dangerous. After 1867, the weak and struggling Canadian federation, in many respects still a colony, with its very existence as a state uncertain, did not allow sterling from London to prevent it becoming a united strong and free nation; indeed, used that sterling to help bring it about. Who then would dare to suggest that the Canada of 1956, a strong and self-reliant member of the family of nations, and recognized as such, is going to be submerged by the "Yankee dollar"?

Today, in many important respects, the Western nations, and especially those in the North Atlantic community, are more dependent on one another than they were before the threat of communist aggression led them into closer association, both economic and political. We need not be frightened of that development. In the small atomic world of today this move toward co-operative interdependence is to be welcomed rather than feared; is beneficial rather than harmful. This closer association, however, should not be confused with the loss of our political freedom. The destiny of the Canadian nation will not be blocked because Canada co-operates closely with her neighbour in continental defence, and because United States corporations operating under Canadian law, subject to Canadian policies, and behaving much like Canadian corporations, are playing an important part in our development.

I end, therefore, on a note of optimism, based on the story of Canada's past, nourished by the evidence of its present and to be justified, I am confident, by the achievements of the future.

I make no apology for this optimism and to those who reject it, I would merely point out that if it weren't for the optimist, the pessimist would never know how fortunate he wasn't.