import of capital of almost $1.25 billion in 1966. The total inflow of capital was even larger, because there was a substantial offsetting outflow of Canadian capital, much of it back to the United States. The import of capital took many forms, but chiefly it was in the form of the purchase by U.S. investors of Canadian bonds and the direct investment by U.S. firms in businesses in Canada which they control.

As we look ahead to the large Canadian requirements for capital in the next few years, we anticipate that we shall continue to supply the bulk of these ourselves from our own savings, but we shall rely upon imported capital in substantial volume in the future as we have in the past. Indeed, the import of such capital is essential not only to supplement our own savings but in order that Canada may meet its foreign-exchange requirements vis-à-vis the United States. Each year, you in the United States have a large surplus in your trade and other current account transactions with Canada. This is a mainstay of your own balance of payments. We pay you in part for this surplus by the surplus we earn in overseas trade and by the gold we produce, but this is normally far from enough to cover your current surplus with Canada. It is only because of the large flow of U.S. investment in Canada and the dollars we receive from it that our mutually profitable trade can continue to grow the way it has.

In making our plans and policies for the Canadian economy, we therefore look forward in future years to a continued substantial flow of capital from the United States, and in particular, of course, from New York and the institutions that are centred here.

To a large degree, we anticipate that this capital will come in the form of direct investments by American businesses. Much of this investment is made by what are now called international, or multinational, corporations. Such investment is taking place on a large scale in Europe as well as in Canada, and understandably gives rise to concern over the degree of domestic control of the economy in which it is placed. We in Canada have probably more reason for concern than others because such very large sections of Canadian business are owned and controlled outside Canada. We welcome the signs we see that American businesses and multinational corporations are becoming more conscious of their dominant role and aware that they must take into account the desire of Canada and other countries that they be good corporate citizens in the various nations where their businesses are located.

We in Canada have been conducting an intensive and objective study of this problem this year. We expect as a result to publish soon an official paper on this subject and the views of Canadians on it.

Meanwhile, however, our Prime Minister has made quite clear earlier this year our basic attitudes and policies. Mr. Pearson has stated that we are going to continue to need foreign capital and the know-how that so often comes with it. We shall welcome such capital and shall avoid unfair discriminatory treatment which would create the kind of atmosphere that discourages foreign