

that the frustration of the buyer would match the frustration of the would-be seller. But we are determined that foreign interests shall no longer be free to buy up Canadian enterprises with a view to closing them down and substituting imports for their production or reducing their role as exporters in world markets, closing down research facilities or otherwise reducing them to branch-plant status.

In its economic policy, Canada remains the most internationalist of nations. This does not imply abrogation of economic sovereignty, any more than Canada's internationalist attitude in world affairs implies abrogation of political sovereignty.

The trick is to differentiate clearly between essentials and non-essentials. Narrow self-interest and outmoded notions of sovereignty threaten world prosperity and world security today. If they are persisted in, the threat they pose will become more menacing.

I suggest to you that our goal should be to exercise our national independence, political and economic alike, as responsible parts of a whole that can be greater than its parts, where each pursues his own interests and aspirations with full respect for the interests and aspirations of others.

It is against this background that one should, I suggest, view the current trade differences between the United States and Canada.

What is involved is not a confrontation between two opposing philosophies of trade. What is involved is not primarily a disagreement as to objectives. There is even a wide measure of agreement as to the facts. The points at issue are matters that concern in the main the working of an agreement relating to automotive trade that goes to the root of the unique economic relation between our two countries.

This is why the differences are difficult to resolve. We are dealing with the operation of multinational companies owned in the United States and producing in both the United States and Canada and supplying the North American market. How are these operations to be carried on in the most efficient manner, with the fewest constraints to trade to the advantage of both countries? How is production -- and thus employment opportunity -- to be divided so that each of us will have his fair share?

These are the questions we have been trying to answer for many months, long before August 15, when the New Economic Policy was announced.

It is an important question, but you will understand why I said that it does not involve a fundamental difference of principle in trade policy between our two countries. It would indeed be ludicrous if there should be a serious rift in relations because of the difficulty in reaching agreement about the future of the automotive agreement that has been so beneficial to both Canada and the United States.

Let me assure you that Canada does understand and sympathize with the