

SSEA: No, we do have an ambivalent view.

Q. What's the difference whether its ambivalence or contradiction? It's a cycle that you're in.

SSEA: Yes. There are two aspects to foreign investment which we've always recognized. We have benefited enormously from having access to foreign capital, foreign technology, foreign initiatives, particularly from the United States as our closest friend and neighbour. At the same time, Canadians would prefer if they had this kind of capital, this kind of technology, and this kind of expertise and initiative at home.

Q. Mr. Secretary, isn't Canada caught up in some sort of contradiction in its relations with the United States: a certain amount of complaint, possibly even of resentment about the dimensions of American investment, economic investment in Canada because of the control exercised by Americans, at the same time the Canadian desire for American investment so that Canada can proceed with its plans for development and progress? Aren't you caught up in that contradiction?

SSEA: I think it's more of an ambivalent attitude that we have.

Q. Are you being diplomatic now?

SSEA: No, no, no. I think this is true. We do speak out of both sides of our mouth and for good and sufficient reasons that we do realize that we have benefited. We are a much stronger country industrially. We're much more independent because we had access to more capital, foreign technology, and initiative and so on in fields in which we didn't have these things. Now we are getting to the point where we feel that we would like to be more selective -- where we do have more capital, where we do have more trained people, where we do have more technology. So it is a bit ambivalent. We realize we are still going to be dependent to some degree upon this, but we're trying to limit the dependence. This is the attitude of Canadians. It's a developing attitude. I'm quite satisfied, for example, that it was because we did have access to capital and technology and enterprise that we are a strong and independent country as we are today. Otherwise we'd have been very weak.

Q. Can you ever get out of that psychological situational predicament that Prime Minister Trudeau once described as "living next door to an elephant, when it grunts you twitch", or words to that effect?

SSEA: No, I think this is our inevitable destiny: living next to the United States. We are becoming, of course much stronger ourselves -- a bigger country, more internal capacity. I think the underlying problem in the world, which we're trying to reconcile, and this is not only in relations between