

the opportunity to have a share in the growth of a dynamic and politically stable nation, the owners of this capital were prepared to act as good corporate citizens of your country.

Here again, realism is the best guide to policy. We are fully aware of the positive role foreign capital has always played in Canada's economic development. It must continue to do so. And it will do so, I believe, if it conducts business on the same strictly economic basis it would at home, operating in strict accord with the laws of the country in which it is being utilized. The Canadian Government spelt out these principles in correspondence I had with all foreign-owned subsidiaries in Canada. I am pleased to say our "guiding principles of good corporate behaviour" met with wide acceptance from these companies themselves.

In essence, these principles emphasized the responsibility of all companies in Canada to develop their performances through the efficient use of its resources and the vigorous pursuit of available market opportunities in Canada and abroad. The response to these principles was gratifying. While there is room for a good deal of improvement, and while performance varies from company to company, by and large most American-owned firms have been conforming to most of these principles or are prepared to undertake changes in policy and practice to more closely accord with them in the future.

Let me turn now to one very important but often overlooked aspect of the Canadian-American economic relation: our common goals with respect to the world economic community. Too often we focus on our bilateral dealings without paying sufficient attention to the vitally-important shared objectives which guide so much of our conduct in the world arena of trade.

In company with the United States, Canada has been a strong supporter of freer world trade on a multilateral basis. The series of international trade negotiations held under the auspices of the GATT - capped by the recently-concluded Kennedy Round - have provided one of the best examples of international co-operation in the postwar period - co-operation which is of benefit to all trading countries. The agreement between Canada and the United States was one of the key elements in the Kennedy Round. It was a carefully-negotiated bargain which should help lower prices and production costs in both Canada and the United States.

I must say I am fully in accord with a statement made by Ambassador Roth, the President's Special Trade Representative, in a speech here in Cincinnati a month ago, when he said the Kennedy Round was "unquestionably the most successful trade agreement to emerge from the long series of negotiations that followed the Trade Agreements Act of 1934".

We in Canada look forward to increased opportunities for trade in both directions as the Kennedy Round results are implemented. For Canada, there are improved terms of access for our traditional exports, such as minerals and forest-products. But of even greater significance for our future development we see