

What we have to do now in Canada is to develop a more selective policy of strengthening and developing those areas of production in which Canada has some real working advantage. This may mean abandoning some present production which is profitable in Canada only with the prop of exorbitant protection, while enabling our better industries to grow. But there are no easy answers in this area of policy. This Government has already demonstrated in one important area - in the Automotive Products Agreement with the United States - that, in co-operation with our trading partners, we can find ways of strengthening Canada efficiently and economically. You all know how many new plants are being built as a direct result of this agreement.

I should add in passing that this Automotive Agreement is a prime example of finding fruitful opportunities for development in the growing interdependence between nations of which I have been speaking. The great expansion that is now going on in the Canadian automotive industry arises directly out of an agreement between the Governments of Canada and the United States that promotes the integration of the North American automotive industry.

I am confident that there are other possibilities for restructuring of Canadian industry which could have a similarly beneficial effect upon efficiency and the trade balance. We are now examining these possibilities and they form part of my agenda for economic independence.

In particular, we shall want to ensure that those industries that exploit Canada's natural resources for export markets process their products to the furthest extent possible in Canada, on an efficient and profitable basis. Canadians should find it unacceptable if the directors of such industries choose to export our resource products in their cruder forms for processing abroad, when there is no longer economic justification for such a policy.

Non-Discrimination

There are some who contend that we should go so far as to contemplate a free-trade or customs union with the United States. I am not one of them, because I do not see how Canada could retain any meaningful degree of economic independence as junior partner in an exclusive arrangement on such broad lines with our great and friendly neighbour. That is why I prefer the non-discriminatory approach to trade that underlies the General Agreement on Tariffs and Trade.

That is my economic and financial agenda for strengthening Canada's independence. Some may argue that it is a short agenda. That may be, but it is an agenda of difficult and complex issues which will require hard work and a great deal of imagination to resolve.

There are probably no single solutions in these areas but rather complexes of solutions. We shall find that, as in all great endeavours, we are confined and limited by the world as it is, and by the legitimate interests and aspirations of others. But I believe the positive opportunities for a productive and rich independence for Canada are very real.