

In return, we must treat foreign capital and foreign companies with scrupulous fairness.

To steer a course between the extremes of continental isolation and continental integration, between narrow economic nationalism and impractical economic internationalism, will require on our part wisdom and commonsense, firmness when necessary and patience when necessary. It will also require certain policies; I shall mention one or two of these briefly. It will require:

First, positive and vigorous support for all broadly-based multilateral economic initiatives, such as the "Kennedy round" in Geneva. These will help create the conditions for a stronger, more efficient Canadian economy in a world with reduced trade barriers. That, in the course of time, will reduce our dependence on foreign capital.

Secondly, domestic industrial development which seeks to exploit our wealth of resources, our natural advantages and the most modern industrial techniques.

Thirdly, there must be the encouragement of a higher rate of domestic savings and its investment in ownership of businesses in Canada through the use of appropriate taxation and other measures.

There must be the maintenance of a hospitable climate for foreign investment while bearing in mind that too much of such investment, particularly in equities, is not good for us and that Canadians themselves must generate an increasing part of the savings and investment required to maintain Canada's position.

Fourthly, without resorting to anything remotely resembling harassment, we must seek to keep and, where necessary, bring foreign-owned enterprises in Canada within the mainstream of Canadian national life. The United States Government has recently said that it expects U.S. subsidiaries abroad to behave as good corporate citizens of the country where they are located and the Canadian Government has recently issued its own "guide-lines" defining, among other things, what we consider to be the obligations of a corporate citizen in Canada. A process of gradual mutual accommodation has, therefore, begun. We intend to pursue it vigorously.

Finally, to the extent that we continue to need large quantities of U.S. capital - and this will be for a considerable time - borrowing is, for us, preferable to direct investment.

These are sensible policy objectives. They are not based on any narrow or self-centred nationalism. As I have said, there is no future for us - and even no real protection for us against United States economic pressures - in that kind of thing.

We must remain an international nation - both at home and in the world - cosmopolitan, dynamic, outward-looking, up-to-date, looking ahead. That is our best hope for a great Canadian destiny.