

led to close links between industry, commerce and labour. To some extent the development of our industries has tended to follow patterns similar to those in your own country. In other ways our development in Canada has been different.

One of the differences is the degree to which foreign investment is currently playing such a major role in the development of our economy. Investment from abroad is as welcome today as ever. I assure you it will always be fairly treated in Canada. But as our industrial strength develops, I am sure you will understand why we are trying to ensure that the benefits of its ownership and control accrue on a proportionate and increasing basis to Canadians. This surely is a legitimate goal; a goal achieved by the United States many years ago.

The Government in its budget presented to Parliament one week ago announced measures to encourage greater Canadian participation in national economic development but not at the expense of discouraging foreign investment. These measures provide incentives for foreign-owned enterprises located in Canada to offer Canadians a greater opportunity to share in the ownership and the direction of company affairs.

We think that a mixture of Canadian and foreign investment will bring genuine benefits in the long run to both countries. We want to provide for effective and harmonious participation for foreign investment in Canada.

A somewhat related problem which also concerns us is our balance of payments deficit. You as businessmen will understand that we must pursue policies that help us to balance our books. We cannot continue to go into the red as we did last year at the rate of close to \$900 million, of which about half was attributable to interest and dividend payments on investments of foreign capital in Canada.