

products just as we need to sell them. But our need is probably greater than yours. It is for this reason that the dangers of protectionism preoccupy us. "Buy American" legislation - state or federal - directly affects Canadian exports to the United States. Frequently, the intention of the lawmakers is to safeguard American industry against the unfair trading practices of distant countries. But the impact is often more heavily felt in Canada, and Canadians can be excused for viewing these initiatives with a certain degree of cynicism.

Another trade issue of vital interest on both sides of the border is the Auto Pact. The automotive sector is central to both our economies and so it is natural that Canada should want to ensure that it obtains an equitable share of the benefits of the North American motor vehicle industry as it converts to the new generation of automotive technology. Canadian and United States' officials are now discussing this question, together with the Canadian concern that any possible United States' response to competition from off-shore manufacturers take into account our needs as part of the North American industry.

Although the automotive sector perhaps presents the general problem in its clearest terms, the fact is that most major United States' policy decisions have an effect, intended or accidental, on Canada. This characteristic of the relationship shows up in a number of areas, whether it is the formal legal debate surrounding extraterritorial application of domestic laws or regulations or a specific environmental issue. An example of the latter is the Garrison Diversion Project in North Dakota, where a United States' irrigation project would, if completed as planned, seriously damage Canadian waters.

A recent survey by a New York investment firm which provides advice to the top companies of the Fortune 500 indicates that Canada is a highly desirable country in which to invest - one of the top five in the world. We have welcomed foreign investment throughout most of our short history as a means of developing what is, in international terms, a young nation. But in recent years we have had to construct some safeguards. By 1974, foreign ownership of the energy sector (as measured by assets held) had reached 88 per cent. For minerals the figure was 45 per cent, manufacturing 57 per cent, and so on. Such key industries as chemicals (78 per cent), electrical products (65 per cent), transportation equipment (80 per cent), and rubber (94 per cent) were also substantially foreign-owned. Alarms have been rung in the United States for levels of foreign investment only a small fraction of those then existing in Canada.

We Canadians were undoubtedly in danger of losing control over our own affairs. Takeovers were not always carried