

I look forward to the day when we will no longer be so dependent on foreign capital inflows. I do not think we have yet fully exploited all the possibilities of encouraging a greater flow of domestic savings, nor of so regulating our affairs as to promote greater Canadian ownership.

In recent years there has been a healthy controversy concerning the role of foreign capital in Canadian economic development. There is now emerging a consensus on this much-debated topic, which can perhaps best be stated in four principles:

1. We must not discourage or penalize the foreigner who has had the faith and imagination to invest here.
2. We must provide the legal and policy framework in which the foreign investor can make the maximum possible contribution to our national welfare.
3. We must facilitate efforts by Canadians to devote increasing amounts of their ingenuity and resources to productive investment in this country.
4. We must encourage the legitimate and natural aspiration of Canadians to own more of their country's industry, and to exercise greater influence in the making of decisions concerning it.

In considering the question of foreign investment in Canada, we should not lose sight of the fact that Canadians have long been active as investors in other countries. Indeed, in the United States alone, we Canadians have invested more in proportion to our population than the United States has invested in Canada. In other parts of the world (for example, the Caribbean), Canada is among the most important sources of foreign investment. We have, therefore, a twofold interest in preserving freedom of capital movement across international frontiers.

In this beautiful city of Vancouver, Canada's gateway to the Pacific, the importance of international trade is obvious. As with the role of foreign capital and foreign corporations in Canada, trade policy is a matter of primary concern to the Federal Government.

No other developed country is so dependent on world markets as Canada. It is only in these world markets that the fullest potential for some of our new and highly specialized products, as well as our traditional exports, can be realized. With this in mind, the national Government is determined to continue its vigorous and active support for the lowering of world tariff levels and the dismantling of other trade barriers.

The "Kennedy round" of trade negotiations in Geneva is now entering its decisive phase; we are hopeful that it will result in a substantial step forward. With the end of the "Kennedy round", we must be prepared to show imagination in finding ways to liberalize trade still further. We must be prepared to show courage in adapting the Canadian economy to the changes we must expect in the international market place.