It is a normal evolution, exemplified in the history of the United States, among others, for a country which was dependent on foreign capital for its early development, to reach a stage where it begins to pay off foreign debt and repatriate foreign-held investments, not by compulsion but by the voluntary decisions of persons free to buy and sell securities as they chose. Canada has, in fact, largely paid off or bought back foreign holdings of Canadian government securities. The next stage will be the repatriation of corporate securities, foreign holdings of which are mainly in equities.

This requires, of course, not only a desire on the part of Canadians to buy, but a willingness on the part of foreign investors to sell. So far as securities have been publicly distributed, they are free to move across the frontier in either direction, according to the views taken by Canadian and foreign investors as to relative values. But this is not the typical case. There are still many cases where it is next to impossible for a Canadian to buy stock in a Canadian industry, because all or nearly all of the various companies in that industry are wholly owned by foreign corporations. With growing maturity, part or all of the stock ownership of such Canadian subsidiaries may be made available to the public in Canada either by way of a direct public distribution, or by the indirect process by which stock in the Canadian company is in the first place distributed among the shareholders of the foreign parent company instead of being held by the parent company itself. Once so distributed the stock is available for repatriation to Canada. Several important instances of this sort have occurred and it seems reasonable to expect many more in the future.

I believe that Canadian financial institutions will have increasing opportunities over the next twenty years to assist in the financing of Canadian enterprises and to make substantial profits in so doing for the benefit of the millions of individuals who entrust their savings to such institutions. I should not be at all surprised therefore to see life insurance companies, for example, increase the proportion of common stocks in their portfolios to the extent authorized by their statutes. Only in this way can they and their beneficiaries participate in the real growth of the Canadian economy. Certainly there should be opportunities in the years ahead for all investment institutions to assist in the repatriation to Canada of some of the Canadian enterprises now in foreign ownership, as well as to participate in the future development of Canadian industry by providing a reasonable supply of equity funds as well as funds for fixed interest obligations.

Another field in which further growth within Canada can be expected is that of technological research. There are still broad industrial fields in which the Canadian firms do no research conducted by American parent plants. This may appear economical on a short run view of dollar costs but it has a stultifying effect on national development in such fields and makes it necessary for Canadian scientists and technical workers to leave their homes and go to the United States not in order to obtain the higher salaries there available but simply to find an outlet for their talents and an opportunity for constructive work in the field in which they are interested.