

You will understand that I am not able to say in any detail what aspects of the Government's programme will have implications for Canada-US relations. But it may serve as a useful basis for our discussion period if I remind you of several points on which the Prime Minister has already given an indication of the possible line of Government action. On foreign ownership, for example, the Prime Minister has made plain that some legislation is required. The legislation on foreign takeovers introduced at the last session was not defeated. Objections were raised to it, however. Therefore the Government is considering the possibility of bringing in some variation of the bill previously submitted which would command the support of a majority in the House.

While foreign ownership has implications for our relations with the United States, it is not an issue for negotiation with the United States as such. As to those trade matters which were under discussion earlier this year with the United States, the Prime Minister has said that we will not seek postponement of resumed negotiations. On the other hand, it is obvious that a minimum of policy decisions can be taken until the Government is assured of the support of a majority in the House. Once confidence is given, then the Government will deal with the United States out of this confidence, and not from weakness. But when negotiations will begin, or what their outcome will be, I would not try to predict. I would simply conclude by reminding you that, when they do resume, more than just the political term of the bargaining equation will have altered on both sides of the border; the balance of payments term will have altered as well.