

In spite of the recent doom and gloom in some of your media, I firmly believe that Canada remains one of the world's better markets in which to invest. As no less a firm than Price Waterhouse has stated in its study Investment Policies in Seventy-Three Countries "there are still relatively few restrictions in Canada if the country is compared to other industrial countries". At the same time, I am convinced that the Government's policies correspond to the firm wish of the people of Canada to have a say in the future economic developments of their country.

I do not have to remind you of recent concerns in your country about a degree of foreign penetration much lower than that occurring in Canada. Having lived in a border city all my life, there is no question in my mind that if the manufacturing, mining and oil and gas sectors of your economy were under foreign control to the same extent as they are in Canada, there would be great pressure exerted on your national government to put in place a policy framework of some kind to ensure that the U.S. benefitted from new foreign investment.

But this in no way implies that you are against foreign investment. It simply states that you would like to ensure that its activities are consistent with your national goals and objectives. In point of fact, the U.S. currently restricts foreign ownership in a number of areas such as broadcasting, coastal shipping, telecommunications, and nuclear and hydro power. These and similar restrictions exist at the federal and state level and reflect American judgements about what is necessary for economic security and well-being. From the point of view of Canada, with its unusual degree of outside investment, the idea of short-term restrictions is not an altogether academic question.

It is one thing to insist on the right of U.S. companies to invest where they will without restriction or qualification. On the other hand, should the host country be prepared to see its exports come to a halt and employment suffer simply because of the unilateral and extraterritorial assertion of U.S. law by one U.S. Administration which has different political views from another? The recent decision by the U.S. Administration with respect to the Soviet gas pipeline is a good example of the problems that can arise. There are enough uncertainties already without exposing our industries to sudden changes in the foreign policies of other nations.

Because of such factors as our small population base, the vastness of our land, and the huge untapped resources, Canadians are more willing than Americans to let their government play a larger role in our economic development. The Canadian Government assumes this leading role when the dimensions are such that the private sector could not be expected to shoulder the burden and risks. This has been the case throughout most of the 115 years of Canada's history.