

foreign enterprise, Canada has received a supply of capital, entrepreneurial skills, technological know-how and markets which, for magnitude, quality and stimulus to growth, has probably never been surpassed anywhere in the world. There is no shadow of doubt that without them Canada's industrial development and living standards could not possibly have approached their present levels.

It is true that instances of actual and potential adverse economic effects have been uncovered. For the most part, cases of divergence of interest arising from autonomous corporate decisions have been found to be few in number and marginal in their impact. Indeed, many of the "adverse" situation turn out, on close inspection, to be dictated not by the external control factor but rather by other considerations, particularly commercial policies.

There is, of course, the overwhelming fact of the size and power of our neighbour to the south. This has an influence on the activities of Canadian enterprise, whether foreign or domestic controlled. One cannot ignore the actual and potential economic disadvantages which flow from the fact that foreign-controlled enterprises are exposed to extraterritorial application of laws and policies over which the Canadian Government has no control. But adverse economic consequences for Canada arising from foreign laws and policies have thus far been marginal.

By comparison with the economic gains so obvious to all of us, the adverse economic effects arising from the operations of foreign enterprises in Canada are not of large dimension. Any objective economic judgment based on the facts as they are known to us must yield the unequivocal conclusion that, from an economic point of view, foreign direct investment has been good for Canada and its people. These are the conclusions we reached some ten years ago; these are the conclusions I reach today. I have seen nothing in the studies conducted by others which would lead me to alter this judgment.

Earlier in my remarks, I referred to the political and social implications for Canada of the extensive and growing foreign ownership and control of large segments of the Canadian economy. I fear that, in devoting so much time to the economic aspects of the problem, I may have led you astray. It may well be that I have obscured what are really the central issues - the political aspects, the grand international issues of sovereignty and independence. In our earlier studies, we recognized that, underlying much of the concern about foreign investment in Canada, was a deep sense of disquiet that control over our destiny was gradually slipping away through economic penetration and progressive take-over of key Canadian industries. In its simplest and most direct form (although rarely put in this way), the question is whether a country can have a meaningful independent existence, in circumstances where the nationals of a single, large, overwhelmingly powerful country own and control a substantial part of that country's basic resource and manufacturing industries.

Our earlier study recognized that the political and social aspects of this whole question may well be the really fundamental ones. But we begged off on the grounds that these aspects were outside our terms of reference. I am certain now that this approach was much too "clinical". It is a mistake for social scientists to compartmentalize their respective disciplines too sharply and still hope to say significant things about a problem which has so many complex and interrelated facets.