

So I suggest to you, Mr. Chairman, that there is little point in deploring the excesses of economic nationalism or in proving to one's own satisfaction that they are self-destructive. What we must do is to ask why it is that illogical and self-destructive policies make an appeal to peoples and to governments.

They do so primarily, I believe, because it is often difficult to distinguish the nationalism that unites the citizens of a country from the policies advocated by the extreme economic nationalists. The protectionists, for example, have always supported their views by emotional appeals to "my country first" against foreign imports. And when the appeal is made to "my country first" against the operation of foreign controlled corporations there can be the utmost confusion in the minds not only of peoples but even of governments.

Some one has said "if you can't lick 'em, join 'em" and I think this advice may have something to contribute to the containment of the excesses of economic nationalism. Those who advocate free trade and who deplore the erection of unnecessary barriers to the movement of goods, capital, technology and ideas, would be well advised to identify themselves as believers in nationalism.

This is not a hypocritical position. On the contrary. History is on the side of those who favour freer trade and the international movement of capital, technology and ideas as a means of promoting the legitimate national aspirations of states, whether they are industrialized, developing or, like Canada, a bit of both. Independence derives from economic strength not from economic weakness.

It is not hypocritical, for another reason. When I advise those who favour the liberal approach to trade and investment to identify themselves clearly as believers in nationalism, I mean that they should, in fact, support legitimate national aspirations for freedom and independence, economic and political, wherever they are to be found. There is a sound and defensible case in favour of what may appear at first sight to be attitudes at variance with the liberal, non-discriminatory approach to matters of trade and investment.

I cite as an example the granting of preferential tariff advantages to developing countries. This is a departure from the "Most Favoured Nation" principle that has stood the world in such good stead while the quite remarkable post-war reduction of tariff barriers was brought about. Realistically, the developing countries could not be expected to have much to offer by way of tariff reductions to gain improved access to industrialized countries. The extension of non-reciprocal