

financial institutions, like our banks, insurance and trust companies, which play a vital role in mobilizing greater resources of Canadian capital, remain predominantly under Canadian control. Any Government that allowed these institutions to drift out of Canadian control could be allowing Canadian independence to be weakened appreciably. To this I could add our railways, our airlines and our major media of communications, radio, television and newspapers.

INDUSTRIAL DEVELOPMENT POLICY

As a final, but by no means the least, important item on my economic and financial "agenda for independence", I would put industrial development policy. And by industrial development policy I do not mean enticing potential investors into manufacturing in Canada every device required by Canadians. As a trading nation, we have had to learn that there are products which are better made by other countries.

Since the end of the Second World War we have retreated from the nationalism which bedevilled all the industrialized nations in the 1930s. This is the kind of economic nationalism we must try to avoid in the future. Trade and payments have been liberalized, and excessive protection has been cut away. If we are to be true nationalists today we must think in terms of a different kind of economic nationalism, which seeks to strengthen Canada in the context of growing interdependence between the nations and our obvious interest in the expansion and liberalization of world trade. It is not inconsistent to be at once a nationalist and an internationalist.

What we have to do now in Canada is to develop a more selective policy of strengthening and developing those areas of production in which Canada has some real working advantage. This may mean abandoning some present production which is profitable in Canada only with the prop of exorbitant protection while enabling our better industries to grow. But there are no easy answers in this area of policy.

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This Government has already demonstrated in one important area - in the Automotive Products Agreement with the United States - that, in co-operation with our trading partners, we can find ways of strengthening Canada efficiently and economically. You all know how many new plants are being built as a direct result of this agreement.

AUTOMOTIVE INDUSTRY GROWTH

I should add in passing that this automotive agreement is a prime example of finding fruitful opportunities for development in the growing interdependence between nations of which I have been speaking. The great expansion that is now going on in the Canadian automotive industry arises directly out of an agreement between the Governments of Canada and the United States that promotes the integration of the North American automotive industry.

I am confident that there are other possibilities for restructuring of Canadian industry which could have a similarly beneficial effect upon efficiency and the trade balance. We are now examining these possibilities and they form part of my agenda for economic independence.

In particular, we will want to ensure that those industries that exploit Canada's natural resources for export markets process their products to the furthest extent possible in Canada, on an efficient and profitable basis. Canadians should find it unacceptable if the directors of such industries choose to export our resource products in their cruder forms for processing abroad, when there is no longer economic justification for such a policy.

There are some who contend that we should go so far as to contemplate a free trade or customs union with the United States. I am not one of them because I do not see how Canada could retain any meaningful degree of economic independence as junior partner in an exclusive arrangement on such broad lines with our great and friendly neighbour. That is why I prefer the non-discriminatory approach to trade that underlies the General Agreement on Tariffs and Trade....

STRENGTHENING CANADA'S INDEPENDENCE  
(Continued from P. 2)

faith of these firms, until all important economic enterprises in Canada, whether they are private or public companies, provide to the community at large a proper disclosure of their financial structure and operating results...  
CANADIAN OWNED ENTERPRISE  
...of course, not only the question of foreign control in Canada of subsidiaries of foreign-owned companies, I am even more interested in the...  
...which can compete at home and in world markets and which occasionally export into foreign markets through their own subsidiaries. If as I have already pointed out, modern technology makes for progress and mass markets, Canadians must strive to have their share of these offices. It is desirable too, that