

continuing to be more imperialistic than international and treating their foreign operations as colonial outposts of the home office.

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Opportunity for advancement to the highest level for locally-recruited staff is an obvious necessity, as is participation as a corporate citizen in the social and cultural life of the local community. Perhaps less obvious is the need to rid management of branch-plant mentality and a tendency to see everything in terms of the parent-subsidiary relation. It is asking for trouble, for example, to concentrate research, development and design in the home country, denying to the host nation opportunities to strengthen its own scientific and technological capabilities and to give their own experts the chance to develop at home their special talents and skills. It may also be very poor business.

My concluding thought on the subject of multinational corporations is that we should all -- governments and corporations alike -- be thinking constructively about the development of guidelines and standards -- international law if you like -- for regulating the methods and activities of multinational corporations. Just as governments see advantage in international arrangements covering the conduct of their affairs abroad, so these corporations, with their considerable influence on international situations and relations, stand to benefit from co-operative efforts to build up a body of ground rules.

What is at issue in the debate about economic nationalism is a reconciliation between two principles -- the principle that the peoples of the world will be more prosperous if they trade freely with one another and have access to capital, technology and ideas from all around the world and the principle that the people of each sovereign state should have as much control as possible over their own economic destiny.

It is my belief, and it is the burden of my remarks to you today, that a reconciliation between these two principles is possible without the imposition of harmful restrictions upon trade and capital movements.

My belief is based on what has been happening in the world since the war -- a period that has witnessed the most rapid rise in standards of living in history. It has witnessed the emergence of dozens of new states, each intent on controlling its economic destiny. It has been a period without the kind of world-wide depression that occurred periodically before the war.

And this is the point -- during this same period there has been a dramatic reduction in barriers to international trade, an enormous increase in the volume of trade and an unprecedented and ever-growing movement of capital and technology across national boundaries.

The historical evidence is certainly that freer trade and access to capital, technology and ideas reinforces the ability of individual countries to control and improve their economic performance. I cannot resist adding that the policies of economic nationalism which were so widely practised