STATEMENTS AND SPEECHES

CANADA

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 66/21 **SIGNIFICANT DEVELOPMENTS IN CANADA - U.S. ECONOMIC RELATIONS**

Address by the Honourable Mitchell Sharp, Minister of Finance, University of Rochester, Rochester, New York, May 5, 1966.

... I shall be talking to you about developments in the economic and financial aspects of American-Canadian relations during the past three years as I have observed them as Minister of Trade and Commerce and Minister of Finance.

Outwardly, these have been three relatively quiet years in economic and financial relations between Canada and the United States. The issues that arose from time to time between our two countries were dealt with in a reasonably civilized way. There were no public confrontations between our governments. Politicians on both sides of the border exercised a moderate degree of restraint when talking about their neighbours. Mutual trade prospered and grew apace. Canadian and American tourists crossed the international border in unprecedented numbers.

And yet, to a Canadian close to events, these were years of drama, of suspense, and of significant change in economic and financial relations between our two countries.

To illustrate, I propose to discuss two major developments of this period. The first was the Canada-United States Automotive Agreement and the events that led up to it. The second was the effect upon American-Canadian economic and financial relations of the measures taken by the United States to deal with its balance-of-payments problems.

Since the Automotive Agreement had its origin in efforts by Canada to improve its balance-of-payments position, it is possible to say that much of the drama, the suspense and the change of these past three years to which I have referred arose from the concern of both our countries with their respective balance-of-payments positions.

Lest there be confusion about words, let me explain briefly the nature of our balance-of-payments problem and how it differs from that of the United States.

Our problem is one that does not exist for the United States at all. It is that of a large and persistent deficit in what are defined as current payments. These relate to purchases and sales of goods of all kinds, and of services such as tourism, transportation, insurance and the like, together with interest and dividends and certain transfer payments. This deficit has only once fallen below half a billion Canadian dollars in the last 11 years, and was over $1 billion last year. Scaled up to the dimensions of the United States economy, this would represent a deficit approaching $15 billion, or substantially more, in one year, than your entire gold reserve. The structure of the Canadian economy is such, however, that it attracts a substantial volume of foreign investment capital (particularly from the United States). Provided that the flow of such capital remains unimpeded, it can normally be counted upon to offset much, if not all, of Canada's current-account deficit, though of course the inflow of capital adds to Canadian indebtedness in one form or another, incurs a continuing economic cost in the shape of interest or dividend payments to the foreign investor, and is all ultimately repayable or repatriable.

The United States, by contrast, earns a healthy surplus each year in respect of current transactions as I have described them (and a substantial part of that surplus is attributable to transactions with Canada). It is a function both of the structure of the U.S. economy and of the pre-eminent financial and political role of the United States in the world that the flow of capital is outwards from this country. It takes the form of investment as well as foreign aid, and in recent years it has generally exceeded the current-account surplus earned by the United States.

To any extent that Canada does not succeed in covering her current-account deficit by attracting capital, she has to meet the shortfall by payments of gold and foreign exchange out of reserves. The United States, on the other hand, can and does finance the excess of its capital outflow over its current-account surplus with its own currency, and in so doing has provided most of the very necessary liquidity to the world's monetary system in the post-war period. Problems only arise, as they have done recently when major creditors of the United States rightly or wrongly judge themselves to be over-supplied with reserve dollars and exercise the option inherent in the system to switch back into gold.

In the year 1962 ... our current-account deficit was $874 million. Of this deficit, no less than $580 million was accounted for by trade in automotive vehicles and parts. The deficit in the automotive sector has increased by nearly 25 per cent within a 12-month period.

The previous Government, in November 1962, had taken certain steps to correct this situation. Specifically, it allowed Canadian automotive producers to bring into Canada free of duty automatic transmissions and engines, on the condition that, and to the extent that, they expanded their exports of automotive parts.

After reviewing the results of this somewhat limited programme, the present Government decided to extend the plan and to allow Canadian motor-vehicle producers to import any type of part they needed and, indeed, to import motor vehicles free of duty in step with whatever increase they achieved in their exports to the United States or to other countries. We felt that this would provide a stronger incentive to our producers to specialize, that they would become more efficient and that, in consequence, they would be able to compete more effectively on world markets.

The new plan was only beginning to take effect when one of the automotive-parts manufacturers on your side of the border cried "foul". This producer lodged a complaint with the United States Bureau of Customs alleging that our incentive plan was simply a device to subsidize exports. He asked the United States Government to apply countervailing duties, that is to say additional duties equal to the subsidy which he claimed was being given to Canadian producers by the Canadian Government.

It was obvious that this put the whole programme into jeopardy. Whatever the outcome of that complaint, it would be months before the application for countervailing duties could be finally disposed of. Meanwhile no United States importer could run the risk of having to pay retroactively the duty that might be assessed.

It seemed to us that this situation had arisen because of a real lack of understanding of what we were trying to do. The root of the Canadian problem - and this is true of other industries as well as the automotive industry - is that we have a very small domestic market. So long as production in Canada is geared exclusively to supplying only this market, our producers are not in a position to achieve the full economies of scale. As a result, their unit costs are higher, they are not able to compete effectively with foreign producers, and the Canadian consumer often has to pay higher prices.

It is not simply that Canadian plants are often smaller than plants in the United States. Even when our plants are the same size as yours, they tend to produce a much greater range of products. In the automobile industry one of our largest assembly plants customarily produced as many as 600 different models of passenger-car and truck. Even the most complex assembly operation in the United States would not attempt to produce more than 250 models, and most United States assembly plants would concentrate on a much smaller range of products. This holds true for parts production as well.

The obvious solution for a country in this position is to specialize - to limit itself to doing the things it can do best and produce a selected range of vehicles and parts for both the home market and for export. The remaining types of parts and vehicles needed to provide consumers with a range of choice can then be imported.

A solution along these lines did not seem unreasonable, given the fact that all our large motor-vehicle producers had plants on both sides of the border and many of our parts producers were subsidiaries of United States manufacturers.

The Canadian Government made soundings in Washington to see if we couldn't find a way of doing this that would avoid any danger of running foul of United States law. The United States Government expressed sympathy with the Canadian position. Officials met to explore the possibilities and, in a surprisingly short time, draft proposals were placed before the two Governments suggesting a free-trade agreement covering most types of motor vehicle - cars, trucks and buses - and the parts needed to produce them.

In a few more weeks of intensive negotiations an agreement was reached in January last year by the two Governments and signed and placed by the President before Congress, where it was ratified in October 1965. The Agreement is now in full effect.

The Agreement provides basically for the removal of tariffs between the two countries on motor vehicles and original equipment parts, although there are one or two limitations.

For our part, we have extended duty-free treatment to imports from all countries but we have limited the right to import vehicles free of duty into Canada to our motor-vehicle producers. To qualify as a Canadian producer, a manufacturer must manufacture vehicles in Canada. He must also continue to spend at least the same amount each year on Canadian labour and materials as in 1964 and must continue to assemble in Canada at least the same proportion of vehicles as he did in that year. Firms that were not in production in 1964 can qualify for free entry if they meet similar conditions.

Why did we think these provisions were necessary? We were concerned to avoid too drastic and too rapid changes in the structure of the industry in Canada. We wanted to retain a certain basic volume of assembly work in Canada. We also wanted to ease the problems that would otherwise face some of the numerous parts manufacturers in Canada. Moreover, without these safeguards, Canadian consumers would have been free to buy their cars and trucks in the United States and the future of both parts-production and assembly production in Canada would have been highly uncertain. This was recognized by the United States when we negotiated the Agreement.

We have also sought certain additional commitments from our vehicle producers to ensure that we will not only retain basic automotive production facilities in Canada but that production of Canadian automotive products will expand with the growth in the North American market. We hope that we shall be able to correct some of the imbalance that at present exists between Canada's share of production and consumption within that market.

Accordingly, the Canadian Government asked Canadian vehicle manufacturers for firm assurances that they will increase their purchases of Canadian labour and materials between 1964 and 1968 in step with their domestic sales. The Canadian producers have also undertaken to make further purchases of Canadian labour and materials over and above these amounts.

I hope that this brief account of one of the major developments in Canadian-American economic relations in the past three years justifies my assertion about drama and suspense in the relations between our two countries. I trust, too, that I have successfully conveyed some idea of the significance of this Agreement to both our countries.

What is happening is an integration of the North American automotive industry, but an integration that provides time for the Canadian industry to adjust to more competitive conditions and, equally important, one which also provides the basis for a relative shift in output in Canada to compensate for the historically slower development of the Canadian industry and the Canadian market. It is not perhaps the kind of free-trade agreement that the purists would have advocated; it is not something that you would find in the textbooks. But it is an important step forward. Indeed, in this imperfect world and given the particular circumstances of Canadian-American relations, it is really a remarkable achievement.

I believe that this Agreement is bound to benefit consumers on both sides of the border. It is possible now for producers to plan their production operations on a more rational basis and to achieve higher levels of efficiency in both their Canadian and American plants.

The net effect on our balance of payments remains to be seen. Certainly, there has already been an enormous increase in the two-way flow of trade in automotive products between our two countries. This will increase as the programme goes forward. One should not focus just on the future course of our automotive deficit with the United States, since many of our exports in this sector go to other countries. On a world-wide basis, I should look for a significant improvement in Canada's import-export performance in this sector. At the very least we have already restrained the rapid growth in the automotive deficit.

It would, of course, be a mistake to read too much into the Agreement. There is no other North American industry quite like the automotive industry and, therefore, the Automotive Agreement, at least in its present form, should not necessarily be looked on as a pattern for other industries. However, there can be no doubt that the successful working of the Agreement will encourage efforts to find new ways and means by which Canadian and United States industry can participate more equally in the North American market. Such solutions could go beyond the conventional processes of mutual tariff cutting; the search will also lie in the direction of finding selective measures that take account of the unique structural features of industrial and corporate relations in particular industries.

As I have already said, the Automotive Agreement had its origin in efforts by Canada to increase its industrial efficiency and thus improve its current-account balance. A new dimension has been added to the Canadian problems by the recent emergence of the United States balance-of-payments problem. Canadians, at least until recently, had not given much thought to the possibility that the United States might ever have to limit its export of capital.

Let me describe what happened when the United States began taking defensive action.

I think we may fairly say that the first major measure adopted by the United States to deal with its balance-of-payments problem, the Interest Equalization Tax, was announced, in mid-1963, without full appreciation of the interdependence of our two countries. As you know, the tax, in essence, was designed to reduce the return on U.S. loan capital placed abroad or, conversely, to increase the cost to the borrower by roughly one per cent.

The reaction to this announcement in Canadian financial circles was one of shocked surprise, quickly followed by serious weakness in the markets. Canadian official reserves of gold and foreign exchange declined by more on the single day of the announcement than on any one day during the Canadian exchange crisis of 1962. It was fairly obvious that the tax would be counted the more successful the less its yield, in other words, even supposing that Canada could bear the added cost of borrowing in the U.S. market, the volume of such borrowing was also in question. Clearly the situation was critical. A team of senior Canadian officials went immediately to Washington. As a result of their discussions with the U.S. authorities, a joint announcement was made that new issues of long-term Canadian securities in the United States would be exempted from the provisions of the tax. That crisis was ended.

The basis on which Canada successfully gained the exemption of its own long-term borrowings from this tax is twofold; first, these Canadian borrowings do not contribute to the U.S. balance-of-payments deficit, and second, there would be no net gain to the United States from reducing them. Roughly speaking, every dollar of capital invested in Canada by U.S. residents flows back into the States more or less immediately in payment for at least a dollar's worth of goods or services imported by Canada from the States. Without any deliberate action on Canada's part, measures such as the Interest Equalization Tax would reduce the U.S. payments surplus in respect of goods and services approximately in proportion to the reduction in U.S. capital outflows.(1) The undertaking given

---

(1) A precise reconciliation of the balance-of-payments statistics published by the United States and Canada is not possible. Generally speaking, Canadian statistics show a larger Canadian current-account deficit vis-à-vis the United States than do United States statistics. On the other hand, United States statistics generally show a larger flow of capital to Canada from the United States than do Canadian statistics. In spite of these discrepancies, the basic fact remains that United States capital rarely finances the whole of Canada's current-account deficit with the United States.

in return for the exemption of long-term Canadian new issues from the Interest Equalization Tax was that Canada would not make use of the exemptions to a greater extent than was necessary to meet its current-account deficit; in other words, that it would not thereby build up its exchange reserves.

The Interest Equalization Tax, and the exemption of long-term new Canadian issues from it, became law in the fall of 1964. Both in anticipation of the enactment and for some time after it, there was naturally a press of Canadian borrowers coming to the U.S. market with issues that had been deferred in the earlier months of uncertainty. A situation of some strain developed in the market, which was, of course, no more in the interest of Canadian borrowers than of the United States authorities. My predecessor as Minister of Finance, therefore, agreed, towards the end of the year, to assist in alleviating this pressure by requesting major Canadian borrowers to defer further offerings of securities in the U.S. market for the time being.

At the beginning of the following year, i.e. at the beginning of 1965, President Johnson announced another defensive action, namely voluntary guide-lines. They were aimed at reducing the extension of short-term credit abroad by U.S. financial institutions, and at encouraging non-financial corporations both to reduce their net transfers of capital abroad and improve their current-account earnings.

These February 1965 guide-lines also applied to non-financial corporations. The 400 or so major industrial and commercial corporations concerned were each asked to achieve a target improvement in their individual foreign payments positions, by any combination of higher exports, lower imports, increased repatriation of earnings, reduced capital outflows for investment, and so forth. Canada was specifically excepted from this target, for the very good reason that any improvement in the position of those corporations vis-à-vis Canada would have had to be reflected in increased Canadian borrowings under the exemption from the IET. Canada was not excepted, however, from a request that these corporations should, where possible, repatriate any cash balances they might be holding abroad.

Nor was Canada exempted from any of the provisions of the companion programme of guide-lines applying to banks and other financial institutions, administered by the Federal Reserve. The most important element was the request that banks should limit to a very moderate rate indeed the growth in their short-term credits abroad. Almost equally important to Canada was the request that non-bank financial institutions should observe a similar guide-line in respect of their short-term foreign assets.

The prospect for Canada in 1965, therefore, after these guide-lines were announced, was one of a fairly substantial draining away to the United States of short-term capital at least; and this did, in fact, occur.(2)

(In the fall of last year, 1965, another bunching of Canadian issues on the U.S. market occurred. Although the volume was not exceptional, it coincided with a combination of normal seasonal strength in the Canadian current account and an exceptional influx of short-term funds in connection with our second major sale of wheat to the Soviet Union. Since these three factors were combining to raise Canadian reserves to a level that was positively embarrassing in the light of our undertaking regarding our exemption from the IET, my predecessor again undertook to co-operate in smoothing out the flow of issues. This time, his request to major Canadian borrowers in November was that they should defer the delivery of securities which had already been offered until after the turn of the year, thus placing the capital outflow in a period of relatively greater strength from the point of view of the U.S. balance of payments, and of some seasonal weakness in our own balance.

The request was certainly complied with, but I don't think we can say that the market, this time, took it in its stride. Considerable doubt and uneasiness was apparent. For two years running, Canadian borrowers had been "warned off" the U.S. market, however understandably and politely, at about the same time of the year and despite the freedom of access implicit in the exemption from the IET. How real and how permanent was that freedom, therefore? Fortunately, the situation was somewhat clarified soon after.)

Last December saw the introduction of new programmes of guide-lines to reinforce those of February. For the first time, a quantitative limit as well as the interest penalty involved in the IET was placed upon purchases of long-term foreign securities by U.S. investors. (I realize that this limit, like all the guide-lines, is, in fact, voluntary; but it is no more than realistic to suppose that it will be observed, and can be regarded as having almost mandatory force.) At the same time, the programme for non-financial corporations was extended to another 400 companies and reinforced by a specific target for the limitation by each of their direct investment abroad, inclusive of the reinvestment of foreign earnings. The target was to be global in each case, and it

---

(2) The guide-lines did not apply to the New York agencies of the Canadian chartered banks, through which some part of this short-term capital would inevitably be channelled. Nevertheless, in order to ensure that the foreign-currency operations of those banks would notbe inconsistent with the aims of the U.S. guide-lines, the Canadian Government requested all chartered banks to conduct these foreign-currency operations in such a way that the net position of their head offices and Canadian branches vis-à-vis residents of the United States was not reduced below that which existed at the end of 1964.

was made clear by the U.S. authorities that it was not expected to be allowed to jeopardize specific commitments such as those made in Canada by the U.S. auto manufacturers; but Canada was not exempted from the target.

As Minister of Finance I have made it plain to the U.S. authorities and to the Canadian public on several occasions since this last measure was announced that I question both its wisdom and its likely efficacy in relation to Canada, primarily for the same reasons that would defeat any other move by the United States to reduce the outflow of U.S. capital to Canada, i.e. the immediate impact upon the U.S. current-account surplus with Canada. But I will not abuse your hospitality by arguing the point here. What is crucial to the developments that I have been outlining to you is that this measure placed a significant measure of restriction upon the only remaining substantial source of financing for Canada's current-account deficit. If, in these circumstances, the quantitative limitation of new long-term borrowings in the U.S. had indeed been applied to Canadian securities, then I'm afraid we should have had, all too soon, the chance to see demonstrated in practice the interrelation between the United States trade surplus and the outflow of U.S. capital to Canada. I think the outcome would have been at the very least discomforting to the United States; I know that it would have been savagely detrimental to the continued expansion of the Canadian economy.

Fortunately, I am able to report that the machinery of consultation and co-operation between our two countries ensured that this point was fully taken by your own authorities, and that this quantitative guide-line was not applied to Canadian long-term new issues. In return, Canada's original undertaking to stabilize its exchange reserves around the level prevailing at the time the Interest Equalization Tax was first announced was reinforced by an assurance that the Canadian Government would, as necessary, buy or sell its own securities in the U.S. market in order to achieve this.

I wish I could report that all doubts and uncertainties had finally been dispelled by this arrangement, and that the balance-of-payments relation between Canada and the United States has been clearly set upon a course of mutual understanding and support. I am afraid, however, that there have been further moments of concern and misconstruction. Views expressed by members of the U.S. Administration as to the responsibilities of United States international corporations operating abroad have been reported out of context and interpreted as suggestions that they should change their commercial and competitive practices and place the interests of the United States ahead of the interests of the countries in which they operate.(3)

---

(3) One sentence, taken out of context from Secretary Fowler's speech to the U.S. Council of the International Chamber of Commerce in New York on December 8, 1965, which aroused considerable unfavourable comment in Canada was the following:

"For this nation, therefore, they (U.S. owned multi-national companies) have not only a commercial importance but a highly significant role in a U.S. foreign policy that has met with general approval by the Atlantic countries."

If the quite sharp reaction in Canada to what American ministers were thought to have said has come to the attention of the American public at all, I imagine that it may well have been put down in large part to offended national dignity. I can assure you that, on the contrary, very real and practical considerations underlay the concern expressed.

At the conclusion of the last meeting of the United States-Canada Cabinet Committee on Trade and Economic Affairs held in March 1966, the United States clarified the intention of its guide-lines by including the following in the communiqué:

> "The United States members made clear that the U.S. Government was not requesting U.S. corporations to induce their Canadian subsidiaries to act in any ways that differed from their normal business practices as regards the repatriation of earnings, purchasing and sales policies, or their other financial and commercial activities. United States members re-emphasized the view that United States subsidiaries abroad should behave as good citizens of the country where they are located. Where U.S. companies were in doubt as to these views, the U.S. Government would ensure that any misunderstandings would be dispelled."

Canada has now issued a set of guide-lines of its own, regarding the way in which we expect the Canadian subsidiaries of foreign corporations to conduct themselves, amounting, in sum, to an expectation that they will act as good corporate citizens of Canada.

These Canadian guide-lines are intended to clear the air and resolve doubts and confusion that may have existed in the minds of managements of foreign subsidiaries in Canada. It should not detract from their effectiveness in this respect that they contain nothing that has not been stated before, at one time or another, and nothing that is in conflict with the aims of your own balance-of-payments programme. I should suggest, too, that they represent the very minimum that the United States or any other major nation itself expects of corporations operating within its own borders but owned or controlled abroad.

Canada's current-account deficit is not the overnight result of a wild international spending spree by Canadians; it is a part of the present structure of the Canadian economy. Successive measures taken by the United States have nearly all threatened to reduce that deficit for us, either directly or by cutting off the capital by which it is financed, despite the fact that our deficit represents a surplus for the United States. It is hardly surprising that Canadian political and financial circles have become so sensitive to each and every new move and statement made here in the United States in connection with your balance of payments.

In this respect our Canadian balance-of-payments problem is similar to the American balance-of-payments problem. No country, small or large, is able any longer to treat its external accounts merely as the fortuitous result of internal economic and financial developments. The rest of the world is not prepared to acquiesce automatically in the major adjustments in their own economies which are required to accommodate large deficits or surpluses thrown up by the internal policies of one country. There is general insistence that all countries so order their internal affairs that the interests of their trading partners are given due consideration. This means that for countries whose external accounts are in equilibrium, balance-of-payments considerations are a constraint upon internal policies. For countries whose external accounts are not in equilibrium, balance-of-payments considerations must be elevated to the level of positive policy objectives. Both Canada and the United States are in the latter category.

It is significant that we should both find outselves faced with the necessity of making balance in our international payments an objective of deliberate policy in spite of the fact that our basic balance-of-payments positions are fundamentally different. We in Canada have a large and persistent current-account deficit which other countries are being asked to finance. You in the United States have a large and continuing current-account surplus, and supply by far the major part of long-term capital needs in the world, partly from the proceeds of short-term borrowings from other countries. In spite of the fundamental strength of your position in comparison with ours, you, as well as we, are regarded by an important part of the world as having an unsatisfactory balance-of-payments relation with them. In these circumstances, neither of us can regard ourselves as being in a satisfactory balance-of-payments equilibrium.

In dealing with the bilateral aspects of our respective situations, we have gained a new appreciation of our interdependence. Each country has experienced the real and speedy impact of policy measures taken -- or merely talked about! -- in the other. The impact has been felt and understood not just by governments but by wide segments of the population.

The appropriate response to this increasing awareness of interdependence has been the development of more and more consultation and co-operation between our two governments. Sometimes this is institutionalized in the form of joint committees at the ministerial or official level. The Joint U.S.-Canadian Committee on Trade and Economic Affairs, at the ministerial level, has met a number of times during the three years covered by the balance-of-payments developments which I have been describing. The discussions in this Committee have become increasingly wide ranging and useful to both sides. Since the IET announcement in mid-1963, two other channels of consultation have been established in connection specifically with our balance-of-payments relationship: a technical working group of officials to examine the statistics, and a joint committee of senior officials, in which information on the unfolding balance-of-payments situation in each country is exchanged and prior consultation takes place on action by either side which would be likely to affect the other.

Committees of private citizens drawn from both countries are also playing a useful role. Equally important are the increasingly close personal relations which now exist between cabinet ministers, between officials, and between private citizens. I personally find it very useful to have periodic private conversations with the Secretary of the U.S. Treasury, Mr. Fowler -- on the telephone, over the dinner table, or even at an office desk!

Important as these bilateral relations are, they must be seen in context. The whole world has shrunk and become more interdependent. Each of our two countries must and does fit its bilateral relation to the other into a pattern of global needs and responsibilities. It would be presumptous of me and unnecessary to this audience to discuss the world-wide interest of the United States. As for Canada, we find in our wider relations in the Commonwealth and beyond the counterweight and the perspective we need to exist next to the most powerful country in the world.

Maintaining perspective in a close bilateral relation between vastly unequal partners is not easy. There are times when Canada's response to a particular situation must seem unnecessarily sharp. I hope you will appreciate that some of the actions taken by Canada, and even some of the speeches made by Canadians, are no more than is necessary to protect our sovereignty and independence against powerful, even if beneficent, forces from below the Forty-Ninth Parallel.

Do not be misled by occasional bursts of what may appear to you to be shrill nationalism. Throughout our history as a nation we have known instinctively that our destiny lay in the world, not in frigid isolation within our own borders or even in the more luxurious North American isolation we might share with you in a strictly bilateral arrangement. Interdependence is not new or foreign to us. We recognize and accept it in our bilateral relations with you. We are prepared upon occasion deliberately to extend it, as in the Automobile Agreement. We seek to establish and work through new institutional arrangements which reflect its growing significance. But interdependence confined exclusively to our bilateral relation with the United States could develop as far as Canada is concerned into dependence and ultimately to complete loss of independence.

Thus Canada responds instinctively, positively to multilateral relations and the institutions set up to organize them. To Canadians these wider relations correspond both to our present requirements and to our aspirations for the future. In these wider relations we can accept the interdependence which the modern world demands without losing the economic, social and political independence of our country which we are bold enough to believe the modern world needs.

S/A