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APRIL 26, 1972.



STATEMENT DISCOURS

SECRETARY
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AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.

INTERVIEW OF THE SECRETARY OF
STATE FOR EXTERNAL AFFAIRS, THE
HONOURABLE MITCHELL SHARP, BY
MR. LEN TUCKER OF ABC NEWS, ON
APRIL 13, 1972

Reporter: What solutions do you think the Government will propose to this question of economic dominance by outside countries?

Mr. Sharp: Well, we've been working on this problem, of course, for quite a long time and we've been examining a number of approaches to it and the Government has a policy -- it doesn't lack a policy at the present time. We have established certain sectors of our activity in which Canadians must dominate. For example, we don't permit foreigners to own newspapers, or radio stations or television stations or banks and so on. These are key sectors. Now we're looking at the problem in a more general way dealing with the industrial sector, and this is extremely difficult because there's a case on both sides. Foreign ownership has undoubtedly greatly strengthened Canadian independence because it has brought the technology and the industry to Canada without which we'd be a very weak country. So it isn't a problem that has only one dimension and this has been realized by the people who have looked at this problem over a period of years. We've been conducting a series of studies and I expect within a very short time we'll make a statement of policy. It will be, I think, another step in the process of dealing with the problem but there is no final answer.

Reporter: Might this step be screening of foreign investors and maybe requiring that so much of the investment money be Canadian?

Mr. Sharp: I think these are over-simplified solutions. I don't think there is any single answer. I don't accept, for example, the idea that there should be majority Canadian ownership of all Canadian industry. I think that that would be a self-defeating sort of process. No it has to be much more selective, it has to be... I think we have to approach the problem very carefully because we want to continue to have access to foreign technology, not particularly capital. It isn't nearly important as know-how and technology, and initiative in fields in which we are not yet fully expert or have the necessary experience. So our approach will be a very selective one and it is not an approach that will be directed against anybody. Our main problem in this field, I should make quite clear is a domestic problem. It isn't a problem in foreign policy. It's a problem in domestic policy. How do we get a greater degree of control over our economic activities without depriving ourselves of the advantage of having access to the world? Because we are, you know, of all countries in the world, probably the one most dependent upon foreign trade, upon freedom of movement of goods and of people and so on. That's how our country

has been built up.

Reporter: More specifically, without trying to get you to divulge what the Government might have on its mind, what are some of the possible steps that could be taken?

Mr. Sharp: Oh, they're very well known. There have been a whole series of proposals. One of them is that we should stipulate a certain proportion of Canadian ownership, or that all subsidiaries should be able to sell stock in Canada; others have proposed a screening mechanism; others have proposed, a "Buy Back Canada" proposal, and so on. None of these is a complete answer in itself. The Government has found over the years that it has been approaching the problem very tentatively and very carefully with the result, in my view, that we are a much stronger country today than if we'd resorted to Draconian measures in the past that would have deprived us of the access to capital, of the access to technology without which we would not have been able to be the second most wealthy country in the world in terms of income.

Reporter: Well, is it the Government's position that the amount of outside ownership of your manufacturing, for example, which is about 58%, is not a bad situation?

Mr. Sharp: No, it concerns us greatly, but the other side of it is that we have a strong industrial structure today because we did have access to capital and to technology. This is the historical fact. Now, as the Prime Minister has said, we can be more selective in our approach. We are now much more self-sufficient in capital. Now we can begin to lay down conditions in relation to new kinds of foreign investment of take-overs and things of this kind.

Reporter: Some Canadians are saying the problem has become so bad, so critical, that Canadians no longer control their own destiny.

Mr. Sharp: Well, this is obviously nonsense! I'm the Minister of External Affairs and I detect no effect upon the conduct of foreign policy arising from the fact that we have foreign capital in Canada. Absolutely none whatever!

Reporter: Well, how about the U.S. unemployment rate and how that affects you?

Mr. Sharp: That would affect us whether we had foreign ownership or not. You know, even if all the industries in Canada were owned by Canadians we would still have to do a

tremendous amount of trade with the United States. This is one of the problems, and this is really the key to the problem. It is the growing interdependence of the countries of the world and the best example is the interdependence between Canada and the United States. Our two countries do \$20 billion worth of trade.

Reporter: Would you like to see more independence between the two countries? Would this Government like to?

Mr. Sharp: Yes, we would, and we have been following a more independent policy. As you probably know, we moved ahead of the United States. They followed us, but we moved ahead of them in foreign policy. We were the first country in recent times to move to a rapprochement with the People's Republic of China. We had exchanges with the Russians and so on. We were very happy to see President Nixon follow our example. So, we do show some independence. We have relations with Cuba. We have pursued our own policies just as the United States has and what is interesting about this is how parallel these policies are. The Nixon Doctrine is paralleled in Canada by the Trudeau Doctrine which is that we should move in foreign policy to advance our national interests and to limit our commitments to our ability to discharge them. That is not the Nixon Doctrine. It is our doctrine and that is why our foreign policy moves so closely and parallel. So I don't accept the view that there is any anti-American policy in Canada. What we are following is the policy that appeals to us as advancing the interests of Canada and very often it does advance the interests of the United States and vice versa.

Reporter: Very good. Thank you.