

economic sovereignty, any more than our internationalist attitude in world affairs implies abrogation of our political sovereignty.

The trick is to differentiate clearly between essentials and non-essentials. Narrow self-interest and outmoded notions of sovereignty threaten world prosperity and world security today. If persisted in, the threat they pose will become more menacing.

I suggest to you that our goal should be to exercise our national independence, political and economic alike, as responsible parts of a whole that can be greater than its parts, where each pursues his own interests and aspirations with full respect for the interests and aspirations of others, just as Newfoundland pursues its interests and aspirations within the Canadian Confederation.

It is against this background that one should, I suggest, view the current trade differences between the United States and Canada.

What is involved is not a confrontation between two opposing philosophies of trade. What is involved is not primarily a disagreement as to objectives. There is even a wide measure of agreement as to the facts. The points at issue are matters that concern in the main the working of an agreement relating to automotive trade which goes to the root of the unique economic relationship between our two countries.

This is why the differences are difficult to resolve. We are dealing with the operation of multi-national companies owned in the United States and producing in both the United States and Canada and supplying the North American market. How are these operations to be carried on in the most efficient manner with the fewest constraints to trade to the advantage of both countries? How is automobile production -- and thus employment opportunities -- to be divided so that each of us will have his fair share?

These are the questions we have been trying to answer for many months, long before August 15 when the New Economic Policy was announced.

It is an important question but you will understand why I said that it does not involve a fundamental difference of principle in trade policy between our two countries. It would indeed be ludicrous if there should be a serious rift in relations because of the difficulty in reaching agreement about the future of the automotive agreement which has been so beneficial to both Canada and the United States.