



Bulletin

Vol. 26, No. 35

September 1, 1971

MR. TRUDEAU CLARIFIES CANADA'S VIEW OF U.S. SURCHARGE

The day after his return from holiday, August 20, the Prime Minister called a Cabinet meeting to consider the impact on Canada of the 10 percent surcharge on imports imposed by the United States. The Minister of Finance, Mr. Edgar Benson, and the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, had discussed the surcharge the previous day with Mr. John Connally, U.S. Secretary of the Treasury.

After the Cabinet meeting Mr. Trudeau issued the following statement:

The economic policies announced last weekend by President Nixon are very complex; their full impact both in the United States and in many other countries will not be known for some time. There is little mystery, however, about the effect on Canada of one of the policies – the 10 percent import surcharge. If nothing is done to remove or prevent the impact of that surcharge, if it is given full effect, it

will cause the loss of many thousands of Canadian jobs.

That is a rough blow to this country. It was to ensure that the United States Government was aware of just how rough that Mr. Benson and Mr. Pepin went to Washington yesterday. They did not go to seek favours, still less to make concessions. They went to make clear to the United States Government that there was no justification for what it was doing to Canada. Secretary Connally agreed to give our arguments careful consideration, and we are now awaiting a reply.

Canada, of course, is not the only country that is affected by this particular policy. For that reason we welcome the consultations that will be taking place with other trading nations who share membership with us in the associations which exist for that purpose – the International Monetary Fund, GATT, and the Group of Ten – to see what can be done to achieve the improved international trade and financial arrangements which the U.S. is seeking.

Canada does not take issue with the decision of the United States to grapple with its economic problems. Several of those problems are familiar to us. It is of no less importance to Canada than to the United States that both inflation and unemployment be attacked with vigour. Our message to the United States Government is quite simple: we understand your problem, we sympathize wholeheartedly with your goal of a healthy economy, we suggest only that the application of your surcharge to Canadian exports contributes in no way to the attainment of that goal. A weak Canadian economy is no help to the United States. Unemployed Canadians cannot afford to buy U.S. goods. At the present time, as for several years, U.S. exports to Canada are comparable to the combined total of all American sales to Japan, Germany, Britain and France; we buy about one-quarter of all U.S. exports. Without our market the U.S. economy would be in much more serious difficulties than it now finds itself.

CONTENTS

Mr. Trudeau Clarifies Canada's View of U.S. Surcharge	1
Japan-Canada Ministerial Meeting	2
Canada-Hungary Trade	2
Wheat for Algeria	2
Virgin of Fatima Statue Tours Canada	3
New NRC Library	3
Pension Benefits Increase	4
Drone Demonstrated to Italians	4
Canada-Lebanon Air Talks	4
Oil-Spill Stopgap Plan	5
NHA Loans for Mobile Homes	6
National Ballet's 20th Season	6
ICAO Representative	6
Grants to Sports Agencies	6