

impressive by the fact that while both countries are taking on new obligations for continental defence - which is part of the common defence - and sharing the cost - we are also maintaining forces in the European sector of that common front. For my country, this involves an army brigade group, many warships, and an air division of jet fighters. A two-front peace-time effort of this kind is no inconsiderable burden for a country of 16 million people and explains why a young country, sparsely populated, with terrific problems of development at home, devote between 40 and 45% of our budget to defence.

While we can be satisfied with our record of co-operation in defence, we in Canada are somewhat less happy about co-operation in trade and commerce. The reason is simple. Our population, less than one tenth of yours, buys nearly \$3 billion worth of American goods (incidentally, much more than the whole of South America). But your 165 million bought only \$2 1/3 billion worth of our goods. When we make an effort to redress the balance by increasing our exports, especially of agricultural and fisheries and other primary products, the clamour for protection against any success that this effort may achieve grows in Washington and we are in trouble. So trade problems are increasing between us, as indeed they are throughout the world. I would be less than frank if I did not add that Canadian worries and occasional irritations on this score are also increasing.

We should realize in all our countries, and act on the realization, that common defence requires the greatest possible co-ordination and unity of foreign and economic policies. This means that a boundary line cannot be ignored for defence purposes and recognized as a very real obstacle every time more exports wish to cross it. If I may adopt a well-known quotation, "If guns are to cross boundaries, goods should too".

On this occasion, however, I prefer to emphasize not our problems, but the deep and genuine cordiality and closeness of this neighbourhood, this U.S. -Canadian partnership. I devoutly hope that such a relationship can be extended over a larger and larger area; and I am encouraged, as you are, by the progress that has been made in this direction through such international agencies as the Organization of the American States, the Commonwealth of Nations and NATO, and through the work of unofficial organizations of the people, like Rotary International. One day, please God, with the help of our world organization, the United Nations, we can move forward to this kind of neighbourliness on a global scale, then indeed peace, deep and genuine, will have been assured.

It is this kind of universal good-neighbourhood, based on freedom and friendship which Rotary is pledged to support and promote.

That is one reason why I am proud to appear today before this great convention and to extend my good wishes and earnest hope for its success.