

political projects in the international sphere that could shatter the essential unity of our country which has been so long in the making.

(2) Canada's external policies and Canadian international trade

We have in Canada only three-fifths of one per cent of the total world population. But with this modest force we produce enough wheat for 90,000,000 people; we produce 90 per cent of the world's nickel and 60 per cent of the world's newsprint; and before long we shall be producing 50 per cent of the world's aluminum. In consequence, we have a heavy dependence on international trade. If our present standard of living is to be maintained and modestly increased over the years we must sell abroad about 33 per cent of everything we produce -- and in certain of our commodities such as nickel, newsprint and asbestos, practically 100 per cent. In the United States, although foreign trade is important, it is not as vital as it is to us since normally, I believe, you do not export more than eight or nine per cent of your total annual production.

Moreover, our two economies are so closely intertwined that we are naturally deeply concerned -- and in my view legitimately concerned -- with your policies, whether in foreign affairs or in international commerce. These matters are, of course, your own affairs and these you must decide, as do we, in what you consider to be the essential interests of your country. I might perhaps suggest, however, that we in Canada would on occasion be happier to have somewhat longer advance notice of your intentions since a relatively minor shift in your trade policies can be extremely serious or even disastrous to certain parts of our national economy.

At the present time, for example, almost 70 per cent of everything we export from Canada goes to the United States, and if this country looks to Canada as its major source of nickel, newsprint, asbestos and so on, we look to the United States as our major outlet. The continuance of Canadian prosperity is therefore very largely dependent -- and to some of us alarmingly so -- upon your capacity and your willingness to absorb a very great percentage of these and of other commodities which we have now the means to produce. In brief, a relatively minor recession in your prosperity or what might seem to you to be an insignificant change in your tariff structure can have grave consequences for your neighbour to the north. We trust, therefore, that in forming policies and in putting them into effect you will continue to be mindful of how very close we are to each other and how deeply interdependent.

(3) External policies and Canadian geography and population

We in Canada are somewhat afflicted by too much geography. We inhabit an area larger than that of the United States and we have less than one-tenth of your population, of which about two-thirds lives within 100 miles of your northern boundary. We have also become increasingly aware of the sober fact that we lie on the direct route between you and potential forces of aggression and that in any future conflict we would be as much on the invasion route as, let us say, Belgium was in European wars over the last two or three centuries.