

the feeling that defence co-operation with our neighbour and within NATO is no longer so necessary, now that there is a new and better look in Moscow. Joseph Stalin has been degraded by those men who bowed so low before him when he was alive. Therefore, it is suggested we can take it easier now and even indulge in the luxury of suspecting each other. This feeling that is now safe to relax is a dangerous delusion and, if persisted in, would weaken the unity and strength of the free nations which has itself been a main reason for the improvement which has taken place.

Cult Remains

The cult of personality may for the time being have become a communist heresy; but the cult of communist domination remains. So the non-communist world cannot yet afford to indulge in weakness or division or complacency.

There are conclusions to be drawn from this in respect of Canadian-American defence relations, as well as in wider fields.

If worries over United States participation in certain joint defence arrangements in Canada seem recently to have increased, that is at least partly due to the feeling that the menace of communist imperialism has decreased. As Mr. Dulles said in his speech in New York on Tuesday, "Allies no longer feel the same compulsion to submerge differences as when they faced together a clear and present danger". The danger, however, has *not* disappeared. It may be taking new forms, but it still faces us.

Similarly, if anxiety over certain economic aspects—particularly the foreign investment aspect of Canadian-United States relations—seems also to have increased—or at least to become more vocal—in certain Canadian quarters, that may be due, paradoxically, to the very abundance of the evidence of the economic progress that Canada has been making in recent years. We have been going through our greatest period of development. We can as a people take our full share of credit for this. But we should also remember that it could not have taken place in the way and in the time that it has, without outside participation, especially by investors from the United States, but also from Great Britain and other countries.

We have recently been reminded in Ottawa—and elsewhere—that participation of this kind brings its own problems and poses a

threat to that national control, indeed to that independence, which we rightly cherish and intend to maintain.

These reminders can be salutary because the problems are real. But there is no excuse for the assertion—either careless or calculated—that the economic and political domination of our country by the United States is imminent; or for dragging up old anti-American prejudices. The War of 1812 was fought a long time ago, and "54-40" is now more impressive as a football signal than as a call to conflict across the border, or even as a peroration in a House of Commons speech. The times are too serious and the problems too real for irresponsible exaggeration.

Canada has been urged recently to declare its economic independence of the United States. I wonder what that means. Surely not that our tariffs, our budgets and our laws are now made across the border and that we are a mere satellite or dependency of our great neighbour. Ask them in Washington about that!

Certainly we are not independent of the United States in the sense that we can isolate our economy from hers, at least without tragic consequences.

But what country in the free world can be or would wish to be economically independent of the United States in that sense? Canada least of all. The trade figures with our neighbour are themselves enough to refute any such idea.

Neither Country Independent

Furthermore—and this should comfort the Jeremiahs who predict our new colonialism—the United States in its turn is today by no means economically independent of Canada, and will become less so in the future. The fact is that the economic interdependence of our two countries, and indeed of most important trading countries, is both inevitable and beneficial. It is usually forgotten, for instance, as an illustration of this interdependence, that Canadian *per capita* investment in the United States is almost twice as great as American in Canada.

I know that anxiety is also felt—and it may be very real—because, as it is put, we have too many of our economic eggs in the American basket. It is worth reminding ourselves, however, that it is the strongest basket in the foreign market. I do not like to think what we would have done without it in recent