

I hesitate to believe that the United States is now turning its back on a partnership in the development of North America that has served both our societies well for centuries. I do not accept that the United States, in a narrow and short-sighted pursuit of its own interests, has adopted a beggar-my-neighbour policy towards Canada. For one thing, it would make no sense. You don't help your own business by creating difficulties for your best customer.

Canada, in close co-operation with the United States has built a balanced and successful industrial and trading economy. I can assure you that Canada is determined to continue on the course it has set for itself. Suggestions from responsible authorities in the United States that Canada should reduce its secondary manufacturing industry and concentrate on the exploitation and processing of natural resources are as insensitive as they are uninformed. We have the fastest-growing labour force in the world. Extractive and processing industries could not begin to absorb the labour force we have today, let alone provide the new jobs we need now and in the future.

Needless to say, we in Canada are asking some pretty fundamental questions about the future. We have proceeded in the post-war period on the assumption of freer trade and stable trading relationships between Canada and the United States, relationships which have been profitable to both countries. The announcement of August 15 could not help but shake that assumption and as a Government responsible for the security and prosperity of more than 20 million Canadians we have to look at the alternatives.

Let me emphasize that I do not myself assume that questions about alternatives are going to have to be answered in practice, even though they must be studied in theory. I am optimistic enough to believe that reason will prevail. Hence I look forward to an end to this period of uncertainty, to a renewed, rationalized and more effective international monetary system and better and more liberal world trading arrangements.

Underlying the current crisis is a basic and probably durable change in the configuration of power and industrial wealth in the world at large. Throughout most of the post-war period, the United States was by far the richest and predominant economic power in the world. It assumed the largest responsibilities and burdens for upholding the international monetary and trading system created at the end of the War. This dominant position found recognition in the monetary field by the unique position accorded to the United States dollar as a world reserve currency firmly pegged to the price of gold.