



STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/21 SIGNIFICANT DEVELOPMENTS IN CANADA -

U.S. ECONOMIC RELATIONS

Address by the Honourable Mitchell Sharp,
Minister of Finance, University of Rochester,
Rochester, New York, May 5, 1966.

... I shall be talking to you about developments in the economic and financial aspects of American-Canadian relations during the past three years as I have observed them as Minister of Trade and Commerce and Minister of Finance.

Outwardly, these have been three relatively quiet years in economic and financial relations between Canada and the United States. The issues that arose from time to time between our two countries were dealt with in a reasonably civilized way. There were no public confrontations between our governments. Politicians on both sides of the border exercised a moderate degree of restraint when talking about their neighbours. Mutual trade prospered and grew apace. Canadian and American tourists crossed the international border in unprecedented numbers.

And yet, to a Canadian close to events, these were years of drama, of suspense, and of significant change in economic and financial relations between our two countries.

To illustrate, I propose to discuss two major developments of this period. The first was the Canada-United States Automotive Agreement and the events that led up to it. The second was the effect upon American-Canadian economic and financial relations of the measures taken by the United States to deal with its balance-of-payments problems.

Since the Automotive Agreement had its origin in efforts by Canada to improve its balance-of-payments position, it is possible to say that much of the drama, the suspense and the change of these past three years to which I have referred arose from the concern of both our countries with their respective balance-of-payments positions.

Lest there be confusion about words, let me explain briefly the nature of our balance-of-payments problem and how it differs from that of the United States.