

Canadian-American relations are, of course, good. Indeed, they have been rightly lauded as a model of international co-operation. But we should not assume that without any effort on our part they will always and automatically remain good. They are, moreover, becoming more important for both countries and that is bound to create new problems. Canada looms larger now in the international, and especially the North American scheme of things. Her position, strategically and economically, is of greater significance to Washington than before. Similarly, the greater the power of the United States on the world stage (and she dominates that stage now) the more concerned we become in Canada over our relations with her, the more preoccupied we become over the purposes and policies which govern the exercise of this colossal power.

Our mutual relations then should be carefully and continuously watched and we should do everything possible to prevent differences, irritations, or uneasiness developing between us. Let's take nothing for granted, even Canadian - American friendship. Any husband here knows what happens (or at least what might happen) when he takes his wife for granted. I could pursue this analogy further with interesting speculations and conclusions, but it might not be wise!

The present international emergency with its threat to us both has brought us even closer together. Canadian troops are in Korea and in Germany along with American. In defence production (whether of strategic materials, where we are of vital importance, or finished war equipment) the ideal we seek is continental integration--though it is not always easy to achieve.

Recent arrangements for the production of military aircraft in Canada by which the manufacturing of the F-86E Sabre jet fighter will be greatly increased, are a good example of what I mean. Under a triangular scheme, the United States is supplying the engines and certain other parts for aircraft which we will then make in Canada and deliver to the R.C.A.F. and, under mutual aid, to the R.A.F. Under another arrangement, the United States Air Force will itself purchase some of these aircraft to be made in Canada. This is the kind of joint effort which is to our common advantage. By placing orders in Canada for military equipment the United States helps to increase the industrial capacity and production of its neighbour and also to reduce our adverse balance of payments with the United States so that Canada itself will not be restricted by lack of U.S. dollars in purchasing necessary weapons and other essential supplies which she cannot produce economically herself.

Of course, everything does not always run smoothly between us. We have old and unsolved problems and also some new ones. Among the former is the delay in the United States in carrying out international agreements regarding the simplification of the administration of customs laws and procedures, a matter of great importance to Canada as a major exporter to the United States. Likewise, at present we are unhappy about quota restrictions, including embargoes, imposed by Congressional action on the import of dairy products, restrictions which violate the provisions of an international agreement entered into by the United States with the Canadian and other governments, as a result of which we gave in our turn tariff concessions to certain United States imports which they still enjoy.