

legislation of a temporary nature to mitigate its effects and we have other contingency plans should they be required. The purpose of these measures, I should emphasize, is to support employment, not to subsidize exports to the United States. The companies affected can claim assistance whether or not they export to the United States.

It is instructive to look again at the purposes of the 10% import surcharge as expressed by the President on August 15 and elaborated on by other spokesmen:

- to encourage the United States' trading partners to revalue their currencies in terms of the American dollar;
- to encourage the lowering or removal of tariff and non-tariff barriers that discriminate against American imports;
- to encourage other nations to accept a greater share of their international responsibilities.

What is Canada's record in these three areas? We floated our dollar in May 1970; its value in terms of the American dollar has appreciated by some seven per cent and is determined solely by market forces. Canada presents no discriminatory tariff or non-tariff barriers to the free flow of American goods. Canada is allied with the United States in NATO and maintains effective forces in Europe. We share responsibility for the defence of the continent in NORAD. Our development aid programme compares favourably with that of the United States in per capita terms and as a percentage of the national product. It is increasing steadily and substantially, not being cut back as reflected for instance in our more active participation in the Inter-American Development Bank.

In President Nixon's own terms there is no possible justification for the application of the 10% import surcharge to Canada, nor is there any apparent action Canada could now take to meet the President's standards and thus to avoid the surcharge.

In the longer term, the so-called DISC legislation and the proposed job development tax credit, both of which would discriminate against imports pose an even greater threat to Canada as an industrial and trading nation. These proposed permanent protectionist measures call into doubt the basic assumptions of our trading relations with the United States and indeed of world trading arrangements generally. They may signal a fundamental readjustment of American trading policy and one that would be a deliberate turning away from the policy of trade liberalization on which post-war world prosperity has been built.