

What we did was to say, "Well, now that you have decided, even at this late date, to carry out this construction on your own side of the St. Lawrence, we will co-operate by doing the rest of the work required. We will also build at once one of the canals in the international section. This will be a firm indication of our view that when the time comes, as we are sure it will, that duplicate canals are required along the whole of the seaway, they will be built on the Canadian side of the international section along with those which would in any case have to be built on Canadian soil for the rest of the seaway. Hence, in due course, we will have, but without economic dislocation or international irritation, our Canadian Seaway".

The Canadian Government considered - and still considers - this to be a better way of reconciling national interest and good neighbourhood than by following either of the other courses that I have mentioned.

To revert to the more general question of economic co-operation; this is assisted both by increasing habits and customs of consultation, as well as by such consultative machinery as our recently established Joint United States-Canada Committee on Trade and Economic Affairs; a body which has an important function to perform in enabling members and officials of our two Governments to understand better the interests and views of one another. The day-to-day contacts not only of officials but also of business groups, labour organizations and private citizens of our two countries are also essential to effective co-operation over the wide range of economic activities in which we are involved.

In some cases, also, acceptance of common codes of conduct - established internationally - can help to ensure that our actions do not harm but rather strengthen each other.

Generally what is required on the part of both our peoples and their governments is a recognition of the fundamental similarity of our interests and of the necessity of always keeping in mind that it is seldom to the advantage of either of us to do things which are to the detriment of the other, even in matters not covered specifically by formal machinery or agreements.

In our legitimate and deep concern with relations between us we should never, I think, lose sight of the identity of our basic interests with those of other free countries in the world. Even if we had no regard for the welfare of our friends abroad, and such disregard would hurt us as well as them, it is a simple fact that economic relations between our two countries can never be entirely satisfactory if the rest of the world is not prospering.

Canada's own trading relationship with the U.S.A. is traditionally and often heavily unbalanced in your favour. It is surely in the interests of both countries to work for a better balance. We shall certainly do our best in this regard, especially when we are stirred up by restrictions against our exports to this country - already so much less than our imports from you. Nevertheless, the situation is one where in the foreseeable future it will continue to be necessary for us to bring in the Old World to redress the trade balance of the new.