

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 7 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 program 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 percent 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 re-adjustment of American trading policy and one that would be a deliberate turning away from the policy of trade liberalization on which postwar world prosperity has been built.

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.