

trading partners to revalue their currencies in terms of the United States dollar - to allow their currencies to move up freely to more realistic levels.

Canada floated its dollar in May, 1970. It has long since moved up - by some seven per cent.

The surcharge is designed to encourage the lowering of tariffs and other barriers which discriminate against the United States. Canada has no tariff - or other trade barriers - which discriminate against the United States.

The surcharge is designed to encourage other nations to share more fully the burdens of international security and development.

Canada assumed its share of these responsibilities long, long ago - perhaps more than its share. It works with the United States in NATO, it keeps forces in Europe. It aids developing nations and the aid is increasing substantially. In per capita and gross national product terms it compares favourably with that of the United States; and it is growing.

To be frank, Canadians feel there seems no justification for the application of the surcharge and related measures to Canada.

We could not avoid it by conforming to the President's standards for we already conformed.

We tried, I assure you, friendly persuasion...

I would like to make it clear that Canada supports fully the United States' broad efforts to bring about an equilibrium in its balance of payments and to rebuild confidence in the United States dollar as a world reserve currency.

We support fully President Nixon's efforts to end arbitrary restrictions on trade. We have been hurt by them too.

It is in the same spirit that we are against the surcharge...

World trade can be liberalized if the leading economic powers wish it to be liberalized. Canada will use every opportunity to promote free consultation and joint agreement among them."