

We appreciate that in an economy so large, so expansive, and so comparatively self-contained as the United States, many other economic adjustments can lead more directly, and certainly more visibly, to a reduction in costs than some modest reductions in protection. In this country, therefore, the classical argument for freer trade can hardly be expected to awaken such a ready response as it does in countries which are more dependent on foreign trade and whose peoples realize that their real income is greatly affected by the cost of imported commodities.

Nevertheless, I think that that argument for freer trade is not without relevance even in the United States. And, in any case, there is an argument of a quite different, and nowadays more important, kind that points in the same direction. If Americans have difficulty in seeing that some further application to their foreign trade of the principles of Adam Smith would increase the opulence of their country (to use his terms), it must be increasingly apparent to all of us in North America that freer trade would contribute substantially to the security of the United States. This great nation is now at the head of a wide coalition and your allies are to be found in all parts of the free world. Some of these allies of yours are situated right up against the out-works of the Communist empire which threatens us all. Without exception all of them need to keep the fabric of their economic and social life strong. Otherwise their people will not be able to resist the blandishments of Communist propaganda and they will not be able to play their part in maintaining the military strength of the free world. They will be able to develop and preserve sound and hopeful economic conditions within their own borders only if they can depend on earning the foreign exchange they must have to meet their import requirements and their other external obligations. Because of the strong creditor position of this country and the wide demand for your products, the exchange resources that must command primary attention from most countries are United States dollars. The out-flow of dollars from the United States - and, I should add, to a lesser extent, from Canada - should therefore be regarded as of far more than mere commercial or economic importance. To members of the alliance which you lead it represents an indispensable element in the common defence. The commodities shipped to you by your friends and allies are indeed much more than they seem. They are nothing less than a necessity for survival.

We in Canada have watched with admiration the way you Americans have shouldered the responsibilities that have been thrust on you for leadership in the free world. We are confident that when you realize that the great cause you must sustain requires that you open your doors more freely to the goods produced in other countries, you will accept that responsibility as well as all the others which you are now so courageously discharging.