

an unswerving dedication to freedom. I believe with you that the maintenance of that unity is the only certain hope for the survival of freedom everywhere in the world.

"Canada and the United States have grown up in separate ways. My country achieved its freedom and independence by evolution, not revolution -- by its adherence to a limited monarchy within the Commonwealth of Nations, rather than through the establishment of a Republic. The Commonwealth knows no written constitution or agreement--it is bound together by the aspirations of peoples in all parts of the globe who, while independent, are united in their dedication to freedom under the Queen as the symbol of their unity. Canada's status as an independent member of the Commonwealth and a constitutional monarchy will be emphasized when Her Majesty Queen Elizabeth II opens Canada's Parliament on October 14 as the Queen of Canada.

"Canada and the United States, as long ago as 1794 in a 'Treaty of Amity, Commerce and Navigation', undertook 'to promote a disposition favourable to friendship and goodwill'. While this undertaking has not at all times since been maintained, it is, and has been, of the essence of our relationship.

PARTNERS IN DEFENCE

"We are partners in defence -- and we realize that the security of this continent cannot be assured without the closest co-operation between our two countries. To that end one of the first acts of the new Canadian Government when it came into power this summer was to agree to the joint operational control of the air defence forces of Canada and the United States. This system embraces not only our two air forces, but the several radar warning lines which have been built by us jointly across this continent, and mainly through Canada. In so doing Canada does not in any way sacrifice her sovereignty over, or ownership of, these Arctic regions.

"We have learned to trust one another. Neither has received aid from the other without payment. No hereditary animosities or ancestral fears remain to divide us. In Canada we know that if the United States since the last war had not assumed world leadership, the free world might not have survived. But we cannot take our relationship for granted. The former Secretary of State for External Affairs (Mr. L. B. Pearson) expressed the same sentiment a few years ago when he said 'the era of easy and automatic good relations between Canada and the United States is over'. That does not mean that an era of difficult or bad relations is beginning. It emphasizes the need for care being taken in attending to our relations and viewing each other's problems with common sense, frankness, absolute confidence and mutual trust.

"The whole measure of warm friendship which has long existed between the United States and

Canada, and the parallel interest of the two countries, enables us to speak to each other with a measure of forthrightness which is permitted to very few countries in the world. The candour with which we can communicate with each other strengthens our understanding of each other, and helps us to avoid the pitfalls of misunderstanding which have bedevilled relations of so many other countries in the world.

ECONOMIC PROBLEMS

"May I now with the utmost frankness and goodwill, and in the interests of fullest understanding, deal with one or two economic matters that are causing unrest within my country. By doing so I emphasize that the Government of Canada has as its duty and responsibility to consider Canadian interests first. It is not now and will not be, anti-American. The Secretary of State of the United States, the Honourable John Foster Dulles, in evidence recently given before a Congressional Committee, said: 'the purpose of the State Department is to look out for the interests of the United States'. The responsibility of the Canadian Government in like measure is to consider Canadian interests first. This should not be misinterpreted as being anti-American.

"Canada is numbered among the great trading countries of the world. While we are desirous of doing business with all nations, our trading world has become increasingly confined to the United States which takes sixty per cent of our exports and provides seventy-three per cent of our imports. A recent survey in the United States Institute showed in graphic form that almost every American community of any size is selling something to Canada. It shows that Brooklyn sells more to Canada than Argentina does, that Louisville sells more to Canada than New Zealand does, that Chicago sells almost as much to Canada as does West Germany, and that Seattle sells almost as much to Canada as does Norway. Even in agricultural products, Canada buys a larger volume of American agricultural products, by some \$100,000,000, than Canada sells to the United States.

"The value of United States exports to Canada is almost as much as that of its total sales to all Latin American countries. Canada is the United States' greatest customer and the United States is Canada's greatest customer. What you are buying from us is largely raw materials or semi or partially-manufactured materials, for the United States tariff system prohibits any major import of manufactured goods.

"This concentration of trade in one channel contains inherent dangers for Canada. It makes the Canadian economy altogether too vulnerable to sudden changes in trading policy at Washington. Canadians do not wish to have their economic, any more than their political, affairs determined outside Canada.