

stable world trade, someone is going to have to make adjustments. There's not much sense in just talking about freer trade -- you can see that my presence here proves that there isn't any tariff on talk -- there's no sense in talking about freer trade unless we are ready to face up to the adjustments that it must mean -- adjustments that will be in our mutual interest. I think we are all convinced that the great strength of the American economy -- and the Canadian economy -- has in part at least been created by a very real devotion to the ideals of free competition. In this half continent there was plenty of scope for initiative and ambition, and there were plenty of the inefficient who went to the wall. That goes in international trade. If we believe in more competition then our people generally and our governments must be prepared to resist special pressures to restrict unduly competition from foreign goods. Naturally, as a Canadian, I feel that you here in the States should not place new restrictions on the purchases of goods from your best customer. Indeed, in these anxious times it's more than just a matter of business common sense. When your government and mine are considering the claims of some particular group to increase protection, considerations of national security -- of maintaining a strong and versatile economy -- must weigh heavily. I think our common security can be greatly strengthened by maintaining a stable and high level of trade between our two countries and between North America and Western Europe. That can be best achieved by relaxing rather than renewing restraints on our trade. I know that at this Fifth Virginia World Trade Conference the majority of you will share that view.

subject -- free trade.

As I have emphasized, in recent Canadian economic policy we have tended to rely upon the price system working for us rather than our working against it. We have abandoned trade and after the war. We Agreement on Tariffs 2 4204010 4603 3



On the matter of tariffs, I am on the firing line, so to speak. I am the minister most directly responsible for tariff changes, and I know how forcefully the argument can be made by the representatives of some particular industry that the tariff ought to be raised. However, when you hear a demand for high tariff protection, it is pretty hard to escape the conclusion either that tariffs are being sought as a substitute for real competitive endeavour, or that resources and men are being employed in the wrong industry. The only thing you can set against that clamour for tariff protection or some other kind of protective restriction upon trade is the general interest we all have as consumers and citizens. Sometimes I think that if the consumers of our countries were more powerfully organized, as consumers, they would soon become a pretty powerful anti-restriction lobby.

I think we have to face up to the fact that if we want to have a higher level of world trade, and a more