

*Address by President Eisenhower*

equally determined to maintain our institutions in good repair and to ensure that our own economies function well.

Thus we seek not only to meet the expanding needs of our people but also to set an example of free men's accomplishments which will encourage and attract those less fortunate. Finally, we are agreed that we shall never cease striving for a just and lasting peace to be achieved by negotiation with those who challenge us. We overlook no opportunity to settle the issues which divide the world and under safeguarded conditions to reduce the burden of armaments.

Now, against this background of similarity in basic factors and policy, let me now point to some of the matters which it seems to me are troublesome between us. Among these are the surplus wheat disposal policies of the United States, the imbalance of our mutual trade, certain aspects of United States private investment in Canada, and Canadian fears of a trend in the United States away from forward-looking policies in the field of trade.

I am sure you agree that we should talk frankly to each other. Frankness, in good spirit, is a measure of friendship. It should be the practice, I believe, on both sides so to speak, when either feels that important interests are adversely affected by actions contemplated or taken by the other. Happily, these instances are rare. In mentioning today specific problems on which we do not see eye to eye I am doing so, of course, as an American, expressing an American viewpoint. I can assure you that your Prime Minister, in discussing these problems with my associates and me, most loyally and eloquently expresses the viewpoint of Canada.

It is my conviction, in which I believe he fully concurs, that for all of our present problems and all of our future ones we will find acceptable solutions. It will take understanding, common sense and a willingness to give and take on both our parts. These qualities we have always found in our dealings with Canada. I hope you have not found them lacking in us.

First then, in some detail, I should like to comment briefly on our surplus wheat disposal policies. I think no one can quarrel with our purpose, though some of our methods may seem unorthodox by traditional standards. Simply stated, our wheat disposal program has three aspects. In times of local famine or disaster we give wheat away. We have also bartered it for strategic materials. Finally, we sell wheat for local currency to countries which cannot afford to purchase it commercially. In these cases our policy is to lend back to the government in question most of the proceeds for local economic development. Our intent is not to

damage normal commercial markets, and in this I think we have been generally successful.

I know that in the past there was criticism of certain aspects of these programs, and particularly of our barter arrangements. I believe that the basis for these objections has been largely removed. Increasingly close consultation between officials of our two governments has ironed out many misunderstandings respecting our surplus disposals. Your government knows in detail what we are planning. I assure you that it is our desire and intention to keep the doors of consultation fully open. There must never be a final word between friends.

In several respects, despite inconvenience and even occasional damage in the past, Canada stands to benefit from our moving some surplus agricultural commodities into consumption overseas. First and most evident of all, many hungry people around the world have had food which they otherwise would not have had. Second, had these products remained in dead storage they would have had a depressing influence on the world market and world prices. Finally, the funds which we have been enabled to make available to recipient countries should in the long run help to raise standards of living and create enlarged markets for all of us.

I come next to the question of the imbalance of trade between our two countries. You buy more from the United States than you sell to us and this fact is of concern to many thoughtful Canadians. There are a few basic points which should be noted in this connection.

First of all, the United States and Canada are not state traders. All the products of industry manufactured in the United States and sold to customers abroad are sold through the enterprise of the private seller. These articles come to you in Canada only because of the desire of the individual Canadian consumer to buy a particular piece of merchandise. The United States government does not place goods in Canada as part of a state-directed program. This aspect of our trade with each other is the natural consequence of two private enterprise economies working side by side and trading with each other.

Then we should also remember that the free world represents a multilateral trading community. To try to balance our books once a month or once a year with every nation with which we trade would stifle rather than expand trade. I assume that Canada is as interested as we are in the expansion of world trade rather than in its artificial redirection. Both our peoples want to buy and sell in a climate of economic vigour and expansion. An imbalance in trade with one country, in such a climate, is usually balanced