

into finished products, many of which we are then invited to buy back. We should like to see the United States Administration and Congress take serious account of the heavy imbalance of the trade between these two countries and also of the way in which United States policies are excluding Canadian finished products from the United States market.

I would not wish to leave the impression that the United States freely admits all our raw products. Our Canadian farmers have been hurt by United States restrictions of imports of Canadian wheat, flour, rye, cheddar cheese, dried skimmed milk, dried buttermilk, flaxseed and linseed oil. It is not long ago that the United States restricted also imports of our barley, barley malt and oats. Now we are faced with the threat of increased United States tariffs against our zinc and lead. Canadians cannot fail to be deeply disturbed at this prospect.

It is true that in self-defence we have had to protect Canadian producers of a limited list of agricultural products from imports that threatened their livelihood, but there is such a vast difference in the size of the economies of the two countries that the disruption of traditional trading channels has a much more severe effect on Canada than the United States.

The trade between Canada and the United States is the largest carried on between any two countries in the world. It means much more to Canada than it does to the United States. In total that trade is the equivalent of 22 per cent of the gross national product of Canada; it is less than 2 per cent of the gross national product of the United States. It is understandable, therefore, that the trade between the two countries should appear to Americans to be of less consequence than it appears to Canadians. By the same token the United States, by adverse trade policies, can harm Canada much more than Canada can harm the United States by pursuing policies adverse to United States interests. May we not hope that by co-operation and consultation we can together find some better way of meeting our very real farm problems than by following any "beggar-my-neighbour" policies.

In the light of the facts I have mentioned and to remedy the basic weaknesses in the Canadian trade position we are seeking to expand trade with the United Kingdom and to purchase where economically possible from Commonwealth sources goods now imported from the United States. We consider that the facts of the situation and the policies followed by Washington impose this course upon us.

Surplus Disposal Policies

I said that I contend that the United States has a special responsibility not to damage Canadian export opportunities abroad. The fact is, however, that the agricultural products surplus disposal programme of the United States has very seriously damaged Canadian trading interests and disorganized normal marketing. The Canadian Government is compelled to take a very serious view of