

both countries. We hope thus to bring into practical application the 'good neighbour' policy between these two great countries which have so much in common."

A few days later, on March 2nd, the President requested the Congress to enact legislation conferring on him authority to enter into trade agreements, in a message which concluded with the following words:

"I hope for early action. The many immediate situations in the field of international trade that to-day await our attention can be met effectively and with the least possible delay."

The legislation in question became law on June 12th. Since then your Government has set up the organization necessary for the conduct of negotiations, carried on its preliminary investigations, initiated discussions with several governments, and proclaimed the conclusion of a trade agreement with Cuba. The objective of the United States in entering upon these negotiations was stated by you in a public address on November 1st to be "to break down all the artificial and excessive impediments put in the way of world commerce, not only in our own interests but for the benefit of all others as well, since only by restoring the whole world can individual countries hope to remain economically healthy long."

It is hardly necessary to stress the importance to both the United States and Canada of their mutual trade. For many years each country has provided the other with either its largest or its second largest foreign market. From 1927 to 1932, and again in the first nine months of 1934, the total trade between Canada and the United States was greater than the total trade between the United States and any other country. In the last ten years, according to the figures of the Department of Commerce of the United States, the aggregate value of the trade between the two countries was more than ten billion dollars, and in the single year of 1929 it reached the great figure of \$1,451 millions. During the decade ending in 1933 Canada provided a market for the products of the United States larger by one-fourth than the whole of Asia, about twice as large as Germany or all South America, nearly three times as large as France or Japan, nearly seven times as large as China, and more than ten times as large as the Soviet Union. In spite of the considerable decline in trade from the high level of 1929, Canada still provided a market in the first nine months of 1934 only slightly smaller than all Asia, nearly twice as large as all South America or Japan, between two and three times as large as Germany or France, four times as large as China, and twenty-two times as large as the Soviet Union. Over 30 per cent of all exports from Canada are currently sold in the United States, and notwithstanding the great difference in population of the two countries, about 15 per cent in value of all exports from the United States are currently sold in Canada. The relative importance of the market of each country to the other, and the persistence of trading on a substantial scale throughout the changing phases of the business cycle, as revealed by the trade returns, demonstrate the inherent advantage of this interchange