

I am sure that everyone here today realizes how ridiculous it is to suggest that Britain had an adverse trade balance of £250 million with Canada, but unfortunately this statement gained wide circulation in responsible newspapers, and those who are unaware of the facts could only gain the impression that something is very wrong with our trade relations.

I merely mention this particular report because it was perhaps the most striking of a number of careless comments and inaccurate statements which have undoubtedly caused considerable misunderstanding of the real situation.

Nothing Wrong with Trade

The fact is that Britain's balance-of-payments deficit with Canada, which is what really matters in the financing of international trade, was approximately \$50 million in 1959. That is the lowest it has been for 25 years. Our exports to Britain have been increasing rapidly. So have British exports to Canada. The simple truth is that there is nothing wrong with trade between Canada and Britain, except that neither country is selling nearly as much as it should to the other.

We know that there must be a reasonable balance in trade, and we are anxious to see British exporters seize the very great opportunities which exist to take a larger share of our total imports.

Naturally, we want to see our domestic industrial production show the rapid increase which we have every reason to expect in a country where we have the greatest concentration of mineral and other raw materials in the free world along with the industrial energy and the human skill to convert these raw materials into finished products. But we have a very large market, which is wide open to you without displacing a single Canadian product. Last year we imported \$5,509 million worth of industrial and other products from outside Canada. To anyone who asks what can be sold to Canada, I suggest you obtain a printed list of our imports, which is readily available. There you will see the things we are buying which you can make and which we will be glad to buy from you. Last year much the largest part of our imports came from the United States. Their total value amounted to \$3,709 million. You are anxious to see a reasonable balance of trade. So are we. As our total sales to the United States were \$3,182 million, we would be very glad to see your manufacturers help us to balance our trade with the United States and Britain by selling us an additional \$527 million