

Canadians enjoy one of the highest standards of living in the world. We do so because of our success as a trading nation. Were we not such strong traders — on a *per capita* basis, the biggest in the world — our standard of living would be a fraction of what it now is. One quarter of our gross national product comes from external trade. We cannot, of course, sit mutely and absorb the impact of this United States surcharge which, if it continues in effect against Canada, will hurt us more than any other country. But neither is it in our interest to retaliate and set in motion the destructive spiral of an international trade war. Everyone would be a loser in those circumstances.

Our policy, then, is to take all steps to damp elsewhere in the world talk of such a self-defeating practice and to press the United States Government to re-examine the surcharge as it applies to us. The United States Government has made no complaint to Canada about artificial exchange rates. Nor have they raised with us more than minor matters in respect to Canada's trade practice. There is no justification, therefore, for applying penalties to Canadian trade.

We wish the United States every success in restoring its economy to health. We ask, however, that in meeting unfair practices on the part of other countries it not itself be unfair. I am confident that President Nixon intended no unfairness and that this problem will be resolved in the spirit of friendship which characterizes all relations between our two countries.

JAPAN-CANADA MINISTERIAL MEETING

The Secretary of State for External Affairs, Mr. Mitchell Sharp, announced recently that the sixth Japan-Canada Ministerial Committee Meeting would be held in Toronto on September 13 and 14. The Canadian delegation will consist of Mr. Sharp as chairman, the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, the Minister of Finance, Mr. E.J. Benson, the Minister of Energy, Mines and Resources, Mr. J.J. Greene, and the Minister of Agriculture, Mr. H.A. Olson. The Japanese Government will be represented by the Minister of Foreign Affairs, Mr. Takeo Fukuda, the Minister of International Trade and Industry, Mr. Kakuei Tanaka, the Minister of Finance, Mr. Mikio Mizuta, the Minister of Agriculture and Forestry, Mr. Munenori Akagi, and the Director General of the Economic Planning Agency, Mr. Toshio Kimura. Also in attendance will be the Ambassador of Canada to Japan, Mr. H.O. Moran, the Ambassador of Japan to Canada, Mr. Shinichi Kondo, and senior officials of the two governments.

The ministers will be discussing a broad range of subjects of interest to the two countries including international, political, and financial matters, bilateral trade relations, and questions relating to

energy and mineral resources.

The forthcoming meeting of the Committee is the first to be held in Canada outside Ottawa. The previous meeting took place in Tokyo in April 1969. The Japanese ministers and their wives and the official party will arrive from Washington on September 11 and will spend Saturday and Sunday in the Toronto and Niagara Falls area. Following the meeting on September 13 and 14 the Japanese party will travel to Vancouver, where they will remain overnight September 15, before leaving for Tokyo on September 16.

CANADA-HUNGARY TRADE

A protocol extending the Canada-Hungary Trade Agreement to December 31, 1971, was signed in Budapest on August 10.

In addition to providing for the continued exchange of most-favoured-nation treatment, the Protocol includes an undertaking by the Hungarian Foreign Trading Enterprises to purchase a minimum of \$2.1-million worth of Canadian goods of their choice during the five-month period of the extension.

The Trade Agreement was negotiated between Canada and Hungary in 1964 and renewed for a three-year extension of the pact that ended in August 1971, Canadian firms concluded export business valued at over \$15 million with Hungarian state-trading enterprises.

Negotiations for the conclusion of a new long-term trade agreement are well advanced and Mr. Jean-Luc Pepin, Minister of Industry and Commerce, indicated that he expected to be able to make an announcement after the House reconvenes.

WHEAT FOR ALGERIA

The sale of 190,000 metric tons (7 million bushels) of wheat by the Canadian Wheat Board to Algeria was announced recently by Mr. Otto Lang, Minister responsible for the Canadian Wheat Board.

The contract, which was signed for Algeria by H.M. Louhibi, Director-General of the Office Algerien Inter-professionel des Cereales, is valued at about \$13 million. Both durum and bread wheats are included; delivery will be over the next 12 months.

This sale is part of a four-year agreement negotiated between the Government of Algeria and the Canadian Wheat Board late last year. The long-term agreement, first of its kind with Algeria, calls for the delivery of between 850,000 and one million metric tons (37 million bushels) by July 31, 1975.

The terms of the four-year agreement call for payment of 10 per cent in cash when each vessel is loaded and the balance over three years, with interest. "These terms were made possible by a guarantee to the Canadian Wheat Board under the Government's revised and expanded credit program," Mr. Lang said.