

*Supply—Trade and Commerce*

of foreign trade and the opening up of markets for Canadian raw materials and manufactured products everywhere in the world.

We are ready to co-operate with all other trading nations and to seek world-wide solutions for problems that are international in character. We are prepared to support all efforts to remove discrimination and restrictions in trade. For this reason we continue to support the general agreement on tariffs and trade. This international trade treaty receives the support of over 40 countries which together are responsible for 90 per cent of world trade. It provides an effective instrument for international co-operation and the most appropriate forum where current issues of commercial policy can be considered and dealt with on a world-wide basis in a practical manner.

For the same reason we are intensely interested in our commonwealth trading relations. We are looking forward to the commonwealth trade and economic conference in September in the hope that there will be a further expansion of markets within the commonwealth, a removal of trade restrictions and the development of a new approach to some of the major trade and economic problems facing the world today.

The commonwealth is the most important and influential group in the world trading community. Trade by commonwealth countries, including Canada, accounts for about one-third of total world trade, and sterling finances an even greater percentage of all transactions. Our exports to commonwealth countries in 1957 were valued at close to \$1 billion, and represented 20 per cent of our total sales abroad. Shipments to the United Kingdom were primarily basic materials and foodstuffs such as wheat, flour, lumber, metals and minerals. Our sales to other commonwealth countries also included these materials to some extent, but manufactured goods were much more important relatively than in our trade with Britain. Canadian exporters of manufactured products are now finding new markets within the commonwealth.

Our trade relations with the United States are of paramount importance. We were privileged to have with us just recently the President of the United States accompanied by the Secretary of State, Mr. Dulles. Trade and economic matters were among the main issues discussed in our talk, and a broad basis of understanding and mutual appreciation of each other's problems was established. There are a number of fields in which our views differ from those of the United States government, but we did discuss our problems frankly and freely and we are determined on both sides to reach satisfactory solutions. We have welcomed the clear indication given to us

[Mr. Churchill.]

by the President of the United States of the importance attached by the United States to sound and amicable trade relations with Canada.

The United States is by far our largest trading partner, supplying over 70 per cent of our imports and taking about 60 per cent of our exports. Last year Canadians sold goods to the United States worth \$2.9 billion and imported in return almost \$4 billion worth of United States products. Our trade deficit of \$1.1 billion was, however, somewhat smaller than during the previous year. The United States economy will continue to be in growing need of many of the goods and materials which we can produce efficiently and sell on a world competitive basis. It is in the interests of the United States itself that nothing should be done to impair the access of our exports to their markets. Indeed, in the light of the substantial deficits in Canada's trade with that country it is particularly important that the United States should ensure continuing opportunities for the expansion and development of Canadian export trade.

There is some evidence that the government and public in the United States are becoming more keenly aware of the importance of good relations with Canada. It has been a common and frequent complaint among Canadian exporters that too often the United States has failed to give due recognition to Canadian trade interests, and we feel that it is in the national interests of both countries that this situation be corrected. Quite apart from the importance of the United States in Canada's trade, we all recognize that the United States is the world's major creditor and trading nation and as such has special responsibilities in giving positive leadership and providing initiative in world trade. This is particularly the case today when the world faces so many uncertainties and dangers. We have reason to believe that the United States is increasingly conscious of the urgent need for forward-looking policies in trade and economic relations. We were gratified to hear the declaration by the United States President in this house reaffirming the fundamental United States policy of fostering trade through the trade agreements program. Strong, constructive leadership by the United States in the field of world trade is indeed essential.

Our trade with Europe continues to develop to the satisfaction of both Canadian and European businessmen. Exports during 1957 rose 4 per cent to a new record of \$549 million, and imports by 5 per cent to \$313 million. Wheat sales worth \$158 million accounted for close to half of our total exports to Europe, and were mainly