

whole counts for a small percentage of your national income. If your exports were seriously interrupted or even cut off it would take longer for the effects to be felt on the whole nation and they would not be so severe for you as for us, though certain regions would suffer severely -- an example is the Canadian market for oranges and grapefruit -- which does mean prosperity for many regions in the United States.

"In Canada on the other hand, we can and do produce economically much greater quantities of certain raw materials and manufactured goods than we can possibly use ourselves and external commerce accounts for almost a third of our income. When, therefore, our foreign trade lags, the impact throughout a large section of our country is bound to be great and many of our people suffer severely. And many more than those in the export industries suffer....

"To the solution of the dollar shortage every nation in the free world, buyer or seller, will have to make its contribution. But because of its size and position in the free world, the largest contribution will have to come from the United States. We who are your friends don't say this because we want to shirk our responsibilities. Canadians have their part to play, too. But the fact is the Americans are the leaders of the free world with all that that implies.

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"And the United States has in the last few years certainly been generous to its friends and those it needs to keep as friends. One has only to think of the vast amounts spent on mutual aid, the Marshall Plan, military assistance and the like. Unfortunately, though, the dollar problem is still with us and I believe any further contribution to the solution of this difficult problem can become progressively less costly to the taxpayers of North America if the other trading nations of the free world are encouraged to sell more of the things they specialize in to the United States and Canada, and they would be helped substantially to do that if their exporters could be sure of the interpretations that will be put on customs and other import regulations.

"Another very helpful factor would be the investment of more dollar capital in certain overseas dollar shortage areas.

"What I am trying to suggest is that the United States and Canada should maintain a strong bias towards freer trade in their commercial policies....

"I do not wish to preach. What I have been suggesting applies just as much to the country which has the second highest standard of living in the world: my own. But we are small in relation to the United States and although we are growing rapidly American influence in this field is bound to be very much greater than Canada's for a long time to come....

"We as an exporting nation do not relish being regarded as a marginal supplier to be cut off whenever the going is tough for those with whom we happen to be competing; indeed, we want to be as sure as we can of a continued access to the markets we have established over so many years. We don't want to build up an industry to supply a particular need and then have the market suddenly cut off without warning. And we don't want either to see the kind of ill-will develop which that kind of action inevitably creates....

"We Canadians ask for as free trade with the United States as can reasonably be achieved without upsetting yours or our economy. We ask for no special favours that you would not grant the rest of the free nations. But we would like to feel that we know where we stand in our commercial relations with each other as in every other aspect of our relations, and we would like to be sure we are not standing on sands that are apt to shift between one season and another...."

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JULY IMPORT SURPLUS: Canada's commodity imports during July were practically unchanged in value from the high level of June, continuing only moderately below May's all-time peak value, according to preliminary summary figures released September 23 by the Dominion Bureau of Statistics. Total commodity exports were also at a near-record value, but slightly below that of imports, the result being a small import surplus for the month.

Total imports in July had an estimated value of \$407,600,000, an increase of nearly 19 per cent over last year's July value of \$343,200,000 and comparing with the record value of \$420,600,000 for May this year. Higher values of purchases from the United Kingdom, other Commonwealth countries, the United States and other foreign countries contributed, as in June, to the rise over a year ago. Total exports -- domestic and foreign -- in July stood at \$398,300,000 as compared to \$375,100,000 last year. There was thus an import surplus for the month of \$9,300,000 as against an export surplus of \$32,000,000 for July, 1952.

Commodity imports in the seven months rose up to an estimated \$2,624,200,000, 14 per cent above last year's cumulative value of \$2,293,500,000. Total exports for the period were down moderately from last year at \$2,418,000,000 compared to \$2,496,900,000, and for the seven months there was an import surplus of \$206,200,000 as against an export surplus last year of \$203,400,000. This year's result compares with an import balance of \$331,900,000 for the first seven months of 1951.

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One out of every four of the 73,087 new dwelling units built in Canada in 1952 was built for rental.