



DAILY AIRMAIL BULLETIN

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Mr. Pearson On Canada-U.S. Trade: Chicago, June 1 (CP) -- The Canada-U.S. boundary cannot be ignored for defence purposes and recognized as a very real obstacle every time more Canadian exports wish to cross it, Mr. Pearson said today.

He told the golden jubilee convention of Rotary International here:

"While we can be satisfied with our record of co-operation in defence, we are somewhat less happy about co-operation in trade and commerce. The reason is simple.

"Our population, less than one-tenth of yours, buys nearly \$3,000,000,000 worth of American goods. But we are able to sell your 165,000,000 only \$2,300,000,000 worth of goods.

"When we make an effort to redress the balance by increasing our exports, especially of agricultural and fisheries and other primary products, the clamor for protection against any success that this effort may achieve grows in Washington and we are in trouble.

"Trade problems are increasing between us, as indeed they are throughout the world. I would be less than frank if I did not add that Canadian worries and occasional irritations on this score are also increasing.

"We should realize, and act on the realization, that common defence requires the greatest possible co-ordination and unity of foreign and economic policies.

"This means that the boundary line cannot be ignored for defence purposes and recognized as a very real obstacle every time more Canadian exports wish to cross it.

"If I may adapt a well-known quotation, 'If guns are to cross that continental line, goods should too'."

Referring to the coming Big Four meetings, Mr. Pearson said they are to be greatly welcomed - "not with uncritical enthusiasm, but with sober satisfaction as giving opportunities to create a better atmosphere and to solve more concrete problems".

"We should guard against excessive optimism on the one hand and excessive cynicisms on the other. The one will lead to hopes that cannot be realized, with eventual disillusionment. The other will prevent us from making the most of the new opportunities that may present themselves.

"It would be unwise, and might be dangerous, to expect immediate and exciting results because four heads of governments will come together and exchange ideas."

Diplomatic Service: (Press Release No. 39, June 1) -- Ottawa, June 2: The Secretary of State for External Affairs on June 1 announced the retirement, early in July, of Major General, the Honourable L. R. LaFlèche, Canadian Ambassador to Argentina and Uruguay, and the following transfers within the Canadian Diplomatic Service:

Dr. R. A. MacKay, Associate Under-Secretary of State for External Affairs, will succeed Mr. D. M. Johnson as Canadian Permanent Representative to the United Nations, New York, effective August 1. Dr. MacKay will hold the rank of Ambassador. Mr. Johnson will be transferred to another diplomatic post which will be announced later. . . .

Mr. W. D. Matthews, Canadian Minister to Sweden and Finland, will return to Ottawa to become an Assistant Under-Secretary of State for External Affairs. He will assume his new duties in September.

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