

"We have flattered ourselves with the pleasing hope, that by the last mails, we would have received accounts of the adjustment of our differences with the United States. They are in train, but we have no information on the subject so particular as to enable us to speak positively of the progress".

In Europe, we have been encouraged by the recent announcements concerning convertibility and the progress which these traditional trading partners are making towards strengthening their economies and liberalizing their trade. Roughly 12 per cent of our total export trade goes to Europe and this is increasing each year. For the first 11 months of 1958, exports totalled \$528 million, a 9 per cent increase over the previous year. Wheat sales alone account for one-quarter of our total sales in this area. Substantially expanded sales were noted for copper, aluminum, nickel and aircraft.

Our exports to the non-Commonwealth countries in the Far East and South Asia for the first 11 months of 1958 were valued at \$129 million, as compared to \$183 million in 1957. Exports declined to all countries in the area with the exception of China, Indonesia and Burma.

In the Middle East, our trade is small - exports are worth roughly \$15 million annually but the trend of development is more favourable. The principal commodities are wheat, and flour, asbestos milled fibres, aluminum, agricultural machinery, pit-props, drugs and chemicals, oil stoves and washing machines. Our principal markets in this area are Turkey, Israel, Saudi, Arabia, Iran, Iraq and Lebanon.

In Latin America, an area from which we customarily buy close to twice as much as we sell, serious exchange problems led to difficulties. During the first 11 months of 1958, our total sales were down to \$163 million, as compared with \$204 million a year previously. However, within the Latin American group as a whole, there were gains in our exports to Peru, Guatemala, Cuba, Ecuador, the Dominican Republic and Venezuela. Venezuela, incidentally, is becoming increasingly important as a market for Canadian products and has now emerged as our most important customer in Latin America. A characteristic of these markets is the increasingly keen price and credit competition we are being forced to meet from other suppliers.

The prospects for the future are not unpromising. We face increasing competition in international trade but as a great world trader, we have much experience on which to draw. Canadian businessmen are becoming increasingly active in this age of air travel and have trading interests in 129 countries. The Department of Trade and Commerce's Trade Commissioner Service abroad is staffed by exceptionally able men carefully selected and well-trained. They are constantly on the alert to give information on trading opportunities. The Government's policy is one of expansion of our trade throughout the world.