

Committee emphasized the importance of continuing to safeguard normal commercial markets. In this connection the Committee noted with satisfaction the useful work at the quarterly consultations of United States and Canadian officials on wheat and flour problems.

There was discussion in the Committee concerning certain restrictions on agricultural trade between the two countries. Canadian interest was expressed in the removal of United States import restrictions on flaxseed, linseed oil, and cheddar cheese. United States representatives expressed interest in the removal of Canadian import controls on turkeys.

The Committee discussed recent developments in the fields of petroleum and natural gas. They agreed upon the desirability of close co-operation between the National Energy Board of Canada and the United States Federal Power Commission. The Committee recognized also that the two Governments should keep each other closely informed of developments in either country bearing on trans-border movements of petroleum and natural gas.

Canadian Ministers expressed their continuing concern about the quota restrictions imposed in September 1958 by the United States on imports of lead and zinc, and urged that these temporary restrictions be withdrawn and no other barriers to trade placed in the way of sales of these basic materials to United States. It was noted that the recent report of the United Nations Lead and Zinc Study Group indicated a good balance between available supply and demand for zinc and some improvement in this respect for lead. United States representatives noted the Canadian views and pointed out that, while the restrictions could not be withdrawn until there had been substantial improvement in the distressed segments of United States lead and zinc mining industries, the question of import treatment of lead and zinc is under continuous review and is now before the United States Tariff Commission as well.

Canadian and United States representatives discussed the outlook of the uranium industry in both countries and agreed on the importance of keeping each other informed of development prospects.

Canadian Ministers drew attention to the difficulties which are created for the Canadian cotton textile industry by United States equalization payments on cotton products. United States representatives explained that no fundamental change in their system, which is designed to equalize the cost of raw cotton to manufacturers in the export trade, appeared practicable at this time, but both sides agreed that the matter should receive continued study.

United States representatives expressed concern about the introduction of a new charge for the use of air navigation facilities by civil aircraft overflying Canadian territory on North Atlantic routes. The Canadian Ministers pointed out the charge covered only a part of the large and growing costs of these facilities.

The Committee exchanged views on the increasing activity of Soviet-bloc countries in world trade and the possible implications of this development for the future.