

vigorous follow-up action by private business interests and by governments to develop trade opportunities and to exercise constant vigilance to ensure that misunderstandings and obstacles do not arise in our dealings with individual countries. Nowhere is this more true than of our trade relations with the United States which play such an important role in the economic well-being of Canada. The founding in 1957 of the Canadian-American Committee, with which some of you, I know, are connected, has done much to facilitate the frank and friendly examination of Canadian and American problems by private individuals and businessmen. At the Cabinet level, the Joint United States-Canadian Committee on Trade and Economic Affairs, the last meeting of which was held in Ottawa early in January, permits the kind of consultation which is essential to the understanding of our manifold mutual problems.

"Admittedly there is still room for more effective co-operation and frank consultation at both private and government levels. Consultation, it should be noted, is not an end in itself but a means of eliminating harmful conflict in our trade relations. To succeed, it must include a reasonable expectation that policies complained of will be modified or ameliorated. Consultation for its own sake or to obscure the absence of constructive mutual accommodation could be not only futile but harmful to the good relations between our two countries.

"Less than a week ago President Eisenhower announced that a system of mandatory controls was being imposed on imports to the United States of crude oil and its principal derivatives. The justification for this action was said to be the security interests of the United States, but it is the Canadian Government's firm, and we are convinced reasonable, contention that there can be no justification on security or on any other grounds for the application of such controls to Canadian oil. Indeed, continental security requires that a more rational use be made of such continental resources as these and the Canadian Government is determined to persist in its efforts to secure unimpeded access of Canadian oil to the markets of the United States. The President has expressed the hope that in the course of further conversations agreement can be reached which will take fully into account the interests of Canada and other oil producing states. We sincerely hope that his expectations are fulfilled, for the Canadian Government is bound to use all means at its disposal to safeguard vital Canadian interests.

"What I have said would apply with equal force to the sharing of defence production contracts required to fulfill the continental defence partnership into which we have entered with the United States. It is of the utmost importance that the highly proficient research and development skills and techniques which

have been developed in Canada be preserved and expanded and that Canadian materials, finished products and component parts be used in the common defence effort. This participation by Canada can be justified on political, economic and military grounds. A strong Canada means a strong partner in our continental defence. It is sometimes discouraging to learn that these problems which are of such vital concern to Canada are most imperfectly understood by large sections of the American business community. Indeed, there is often a total unawareness of their existence. To you, as businessmen, I say that we must be persistent in our efforts to gain recognition of our rights and interests when working out practical relationships with our good neighbours to the south.

"Our problems as a world trader are not, of course, confined to our relations with the United States, important though they are. One aspect of current economic developments which we follow in Canada with interest, not unmixed with concern, is the creation of the European Economic Community or common market and the various proposals -- none so far successful -- for associating with it, in a less integrated grouping, the United Kingdom and most other countries of Western Europe. Because more than one-quarter of total Canadian exports go to Western Europe, our trading arrangements with that area are of the utmost importance. They are also, I need hardly point out, of fundamental interest and importance to this city through which so much European trade passes. A strong, prosperous and outward-looking Europe would contribute to the expansion of Canadian trade but a restrictive regional trading group would, by contrast, have most serious implications for us....

ECONOMIC AID

"You, as a group, are perforce more concerned with trade than with aid, yet, from the Government's point of view, aid now assumes a most important role in our international economic relations. Many of the so-called underdeveloped countries, particularly in the Far East, have only recently won political independence and are apt to fear that economic assistance may serve as a cloak for political interference. Canada, being a middle power and free of any suspicion of a desire to dominate or control others, is an acceptable donor and we, for our part, have accepted the challenge offered by the extreme poverty and economic under-development of many areas of the world and have striven to help those areas to help themselves. Our post-war financial assistance abroad had, by March 31, 1958, totalled \$4.3 billion. Of this, actual expenditures for economic and technical assistance to underdeveloped countries totalled about \$290 million. The bulk of the remainder went into post-war reconstruction, loans, relief, and subscriptions to international financial

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