

books in Canada. There is the very serious restrictions that you impose against uranium. We've got vast quantities of uranium we'd be very happy to sell to the United States. And we look upon the action that you have taken as being in a default of your trade agreements with us. So we have a number of things of this kind that we would like to negotiate with the United States. This is one of the reasons why we take exception to the idea that it's Canada that should make the concessions because there are certain things that irritate the Americans. Well there are some things that irritate us too and it's in the course of trade negotiations that you can work these things out. I must add this, however, that I am very happy to see that in both Canada and the United States the Governments are in favour of another round of negotiations. This to us has been a source of great satisfaction to see the United States government come out clearly on the side of freer trade because that has been our policy from the beginning.

Reporter: Has it been offensive to Canada to have John Connally's threat, as it were hanging over Canada, of appropriate steps that might be taken because of the breakdown in Canadian-American trade negotiations?

Mr. Sharp: Well politicians often say things in the heat of the moment. I don't know how much importance to attach to what Mr. Connally has said. What I do know is that we do a vast volume of trade. You know we do more trade between Canada and the United States than between any other two countries - something like twenty billions of dollars. And what Mr. Connally says or what anyone on our side says is not going to affect that course of events. We are continuing to be very, very big traders. Even these difficulties that we are in now don't really affect the mass of our trade. So I'm fundamentally an optimist. And I don't attach that much importance to what any particular politician says at any particular time.

Reporter: The U.S. seems to be of the definite impression that Canada retreated in the trade talks from its original position of offering more than it finally did?

Mr. Sharp: Yes, I've heard this said. I don't accept that. I would retort that the United States might have accepted our proposals earlier and we could have avoided all this problem.

Reporter: The impression is that Canada retreated because the surcharge was lifted and that if the surcharge had not been