

We in Canada have been watching very closely and pretty anxiously the efforts now being made to bring the foreign economic policy of the United States a little more into line with its position as the world's largest creditor. Although it would be improper for me to enter into the controversies that that endeavour has aroused, I may, perhaps, be forgiven for expressing some surprise at how little attention has been paid in current discussions to United States trade with Canada. It is often objected, for example, that the tariff concessions granted by the United States have not been matched by effective tariff concessions by other countries. Sometimes this complaint seems to be made in unawareness of the fact that Canada is by far the United States largest customer and that the tariff concessions made by Canada in reciprocal negotiations with the United States have in no way been nullified by exchange or other restrictions. The United States sold to Canada last year goods to a value of more than \$2,900 millions, more than your sales to all the countries in Latin America combined. Why that figure does not bulk rather larger in discussions of foreign trade policy, I am rather at a loss to know. One reason may be that many United States companies, for their own reasons, often regard their sales to Canada as part of their domestic business. Partly, perhaps, because it is hard for you to regard Canadians as foreigners. Certainly I would not want to see any change in that. But the fact remains that when the United States tariff is raised, or when restrictions on imports are imposed, Canadian exports suffer just as much as if we were a country on the other side of the globe.

I would remind you, too, that you sell to us much more than you buy. If you make it more difficult for us to market our products in this country, you should not be surprised if you find us having to consider doing without some of the commodities which we now import from you - in great volume - but which we cannot regard as essential. Since the end of World War II (with the exception of one comparatively brief period in 1947 when we ran into balance of payments difficulties) we in Canada have managed to maintain a liberal import policy. In the face of considerable discouragements, we are still doing so. But it must be realized that our ability to sustain that policy is, in large measure, dependent on whether or not the United States opens its markets to foreign imports. One of the main reasons Canada has been able to maintain a liberal commercial policy has been that we have been experiencing a period of rapid economic expansion. This has attracted capital from other countries and notably from the United States.

At the base of Canadian economic expansion lies a great development in our resources of energy. At this point I am afraid I must resort to a few figures. In 1947 when the Leduc field was discovered, Canadian reserves of crude oil were estimated at 72 million barrels. They are now estimated at well over 2½ billion barrels. During the same period oil production has increased from a yearly average of 21,000 barrels a day to an average now of 260,000 a day, with a present capacity of approximately 400,000 barrels a day. Hand in hand with the development of