

that we are not aware of the facts of life - of the great difficulties of gaining acceptance of policies which involve the reduction or removal of advantages to which certain domestic industries have become accustomed. We in Canada are not without experience of this problem.

Of course some progress has been made. Your Reciprocal Trade Agreements Act has been renewed. But the safeguards for United States industry which this legislation now embodies and the "escape" provisions which it acquired in passage through Congress cannot but cast additional doubt on the value of tariff concessions made by the United States. There has been some improvement, too, in United States customs administration but there is still much uncertainty which discourages the healthy development of trade. Your agricultural policies which involve import restrictions and the disposal, by special means, of surpluses abroad injure Canada and other exporters of agricultural products.

We Canadians know very well that there is no easy solution to these stubborn problems. But we trust that in dealing with them you will keep in mind the extent to which other friendly countries are concerned. I shall say no more than that.

There are of course many other fields in which your policies and actions impinge on the Canadian economy. Indeed, it often seems to me in Washington, that - in trade and financial affairs at any rate - we are affected in some way by every decision taken in the White House and on the Hill. For example, take the suggestion that, on grounds of security, the United States should limit oil imports so as to reserve the great bulk of your market to domestic producers. Such a policy if applied to Canada would strike at the profitable and mutually beneficial development of the recently discovered oil resources of our Prairie Provinces - in which the United States has invested so heavily. I find it hard to believe at a time when our military forces and defence planning are being more and more closely integrated under NATO and for the defence of this continent, that the reasonable use of Canadian oil in our two countries is other than a support to our common security. And I believe your government and most Americans would agree.

Since the war we in Canada have been steadfast in pursuit of the objective of a multilateral system of trade and payments. We have accepted the implications of this objective for ourselves and there is probably no market in the world that can be entered so freely as ours. We continue to believe that a world in which goods and services can be freely exchanged and in which barriers to trade are reduced to a practical minimum is best for Canada as well as for other countries. But the slow rate of our passage towards this international haven - and the cross-currents encountered - are causing some Canadians to sniff the wind and ask themselves whether our own course and speed are necessarily quite right for the weather through which we must sail.

In other countries of the world as well as Canada the course of the United States in its external economic relations is being closely watched. In most countries there has been an encouraging tendency in the last few years to do away with restrictions and to reduce the heavy discrimination against dollar goods which has been the rule since the war. But there are powerful forces in all countries which recoil