

and more will be done along this line.

Nearly all of this trade takes place as normal commerce, not directly affected by rearmament. Latin America, as a whole, is presently going through an important stage in its development of natural resources and industry, and Canadian exports are expanding accordingly. Canada has offered important trading concessions to many Latin American countries through both the General Agreement on Tariffs and Trade and through direct negotiations. These increased opportunities offered by Canada have resulted in reciprocal opening up of Latin American markets for Canadian exporters. Because of the complementary nature of our trade, I am confident that Canadian trade with Latin America will expand considerably in the future.

I turn finally to the United States. We have been fortunate, indeed, to find a receptive American market for our goods during recent years, when some of our traditional markets overseas have been closed to us. It has been sales in the United States, above all else, which have enabled our exports to top all previous records. This is not a matter of putting all our eggs into one basket. It is simply a matter of cultivating those markets that are available to us.

There has been a deficit in our trade with the United States. This has occurred principally as a result of our heavy defence purchasing in that country and as a result of imports arising from our great programme of capital expansion. As these extraordinary expenditures taper off, and as our new industries come into production, Canadian trade should once again come into closer balance with the United States.

Commercial ties between Canada and the United States are very close and highly dependent upon the good will existing between the two countries. For this reason, we in Canada have been perturbed by the import controls which were introduced in the United States last year on certain fats, oils and dairy products. We take the position that these measures in the United States are not only unjustifiable, but contrary to the principles and agreements upon which trade has been built up between our two countries. We have been pleased from the beginning to note that the President of the United States and several members of Congress and the Administration have expressed similar views.

Canada and the United States have drawn closer together as trading partners in recent years. Joint ownership of industries, and the system of branch plants, reach across our common border, often in both directions. Industry in each country has, in fact, become dependent on raw materials and supplies obtained from the other. With such close links, and with the large amounts of American capital now being invested in Canada, there should be little room for fear that the large scale trade between our two countries will be seriously impeded by hasty action on either side.

May I add a word about the embargo placed upon the movement of Canadian livestock and meat into the United States, as a result of the outbreak of foot-and-mouth disease in Saskatchewan. The Canadian Government fully understands the reasons for this embargo, which was mandatory under United States law. As a matter of fact, as soon as we suspected that there might be foot-and-mouth disease in this country, even before there was definite proof, we invited the United States Government to send in veterinarians to observe and to advise. Not for many, many decades have we had a case of this