

"It is of the utmost importance that the West should not brand the Soviet proposals as nothing but a facade of propaganda. We must aim for the achievement of balanced concessions for neither side can afford to agree on measures which will result in military disadvantage to itself.

MAJOR TASK TODAY

"Lifting the burden of hunger, poverty and ignorance which lies heavy on the backs of hundreds of millions of people in the underdeveloped countries of the world may well be the greatest task of this decade. Whatever we may be able to do about the other urgent issues which face our world, peace and prosperity for the West are not likely to endure long if three-quarters of the world's population must struggle to achieve even a minimum standard of living. Empty stomachs cannot be fed by political theories or political institutions.

"One of the great needs of the less-developed countries is food for the expanding populations. Every day another 250,000 hungry new mouths are born into the world, the majority of them in countries whose populations have already outstripped local food supplies. Yet, on the other side of the picture we see the spectacle familiar to Americans and Canadians of surplus food which cannot be sold at a reasonable rate of return to the producer.

"Stable and prosperous countries are the best customers. If we can help the underdeveloped countries achieve a high level of political stability and economic activity, the benefits of their development will be shared by all the world's trading nations.

"Canadians recognize that the United States has the leading role to play in development assistance, and that it has been playing that role since the war generously and as never before by any other nation, but this task is one in which all the better-off nations must participate.

FOREIGN AID

"As evidence of its determination to do its part, Canada has given \$4,422 million in all forms of foreign aid since 1945, including nearly \$300 million in bilateral aid to Asian countries in the past ten years under the Colombo Plan. Furthermore, Canada, along with other Commonwealth countries, has agreed to give urgent consideration to the economic development needs of newly independent nations in Africa.

"Whether or not the Communists press their economic offensive everywhere in the world, the basic need for survival of free men is to maintain and co-operatively develop the economic strength of all the countries which are united in the stand against Communism. Nothing is more important in this than trade relations.

"Canada is the fourth largest trading

country in the world, next only to the United States, the United Kingdom and Western Germany. Canada and the United States have the largest two-way trade of any two countries of the world.

CANADA-U.S. TRADE

"The importance of the United States-Canada trade is evident in the fact that in 1959 the United States absorbed 62 per cent of Canada's total exports, and supplied 67 per cent of all the goods Canadians purchased from abroad.

"In 1959 the total of this trade was \$6.9 billion, of which \$3.7 billion represented Canadian purchases from the United States, and \$3.2 billion comprised Canada's sales to the United States. This means that Canada bought \$500 million more from the United States than it sold in return.

"Almost every State shares directly in the export trade with Canada. It is not generally known that Brooklyn sells more to Canada than does Argentina; that Louisville sells more to Canada than does New Zealand; that Detroit sells more to Canada than does Brazil; that Chicago sales are equal to purchases from West Germany; that Seattle sells almost as much to Canada as does Norway. The Lakes' Border States -- Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania and Wisconsin, -- share 51.5 per cent of the total export trade with Canada. The Eastern States of Delaware, Maryland, New Jersey, Virginia, West Virginia, Maine, Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont -- share 16 per cent. The Southeastern States -- Alabama, Georgia, North Carolina, South Carolina and Tennessee -- and the Gulf States of Florida, Louisiana, Mississippi and Texas -- share 12.3 per cent of the total export to Canada. Other States make up the balance.

"Good neighbours are good customers, and good neighbourliness between our two countries is good business. Americans realize that a more prosperous Canada will not only be a better neighbour, but a more effective bulwark against Communism on the North American continent and abroad.

"The interests of individual States of the Union must be taken into consideration by the federal administration in the United States. In Canada, the interests of the Provinces must be weighed in national decisions. So, too, while the national interest of our countries must always be of importance, the long-term interests of the free world as a whole must be considered in the national economic courses which are taken by each and every one of the free nations.

ECONOMICALLY STRONG CANADA

"While the United States has primacy in leadership in the free world, it must be recognized that an economically strong and ever stronger Canada is necessary for the preservation of North America and for the benefit of the free world generally.

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