

agreed that wherever feasible there should be close consultation in advance between the two Governments whenever it seemed necessary for the Government of one country to take action which might affect the commercial or economic interests of the other.

The Canadian Ministers expressed their continuing concern over the quota restrictions imposed by the United States last September on imports of lead and zinc and outlined the effects they are having on the Canadian mining industry. The United States representatives hoped these restrictions could be withdrawn as soon as more satisfactory international solutions on a broader basis are found. In the meantime, it was agreed that both Governments would explore further the possibility of developing such equitable solutions.

The United States representatives set out the grounds for their concern as to the amendments made last year in the Canadian Customs Act. They were assured by the Canadian Ministers that it is not intended to apply the new provisions of the Act in either a discriminatory or an arbitrary manner and that consultation would be held wherever feasible before applying the new provisions.

The United States representatives also expressed concern with respect to the import restrictions which the Canadian Government has recently placed on certain agricultural products, and especially on turkeys and frozen peas.

The current voluntary limitations on the entry of petroleum into the United States were discussed. A careful review was made of the factors affecting petroleum supply and demand, not only in the United States and Canada but throughout the world. The Committee agreed that continued exploration and development were necessary on defence grounds. The Committee also agreed on the importance of continuing growth and stability to the oil industry, without which the incentive for further exploration and development would disappear. They agreed on the importance of maintaining a healthy and dynamic oil industry throughout the Western Hemisphere. Various aspects of the problem were discussed and the representatives of the two countries agreed to take into consideration all of the opinions expressed in developing their policies. They will continue their studies and consultations with reference to this complex problem.

In reviewing agricultural problems, Ministers agreed that incentives leading to an aggravation of surpluses were to be avoided. In regard to the United States programmes of surplus disposal, Canadian Ministers noted with satisfaction that the impact on Canadian trade had abated since the last meeting of the Committee. However, they expressed anxiety about tied-in sales and about the recent changes that have been made in the regulations governing barter transactions. The United States renewed the assurances given at the last meeting of the Committee that in all surplus disposal activities they would endeavour to avoid, insofar as possible, interfering