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NEIGHBOURLY PROBLEMS

Factors in the economic relations of the United States and Canada that are, he said, "causing unrest" among Canadians were dealt with by Prime Minister Diefenbaker in an address delivered September 7 at Dartmouth College, Hanover, New Hampshire, at a conference called to discuss the topic "Great Issues in the Anglo-Canadian-American Community".

Speaking with a forthrightness which he said was permitted to him by "the whole measure of warm friendship which has long existed between the United States and Canada and the parallel interest of the two countries", the Prime Minister said that the relationship of the two countries cannot be taken for granted. Each other's problems must be viewed, he said, with common sense, frankness, absolute confidence and mutual trust.

Canada's trading world has been increasingly confined to the United States, which takes 60 per cent of its exports and provides 73 per cent of its imports, the Prime Minister pointed out. This concentration of trade in one channel contains inherent dangers for Canada, Mr. Diefenbaker said, making the Canadian economy altogether too vulnerable to sudden changes in trading policy at Washington.

Mr. Diefenbaker told his audience that "a pressing concern in Canada is the question of the United States agricultural programme, and in particular that of wheat and wheat flour, which has been more vigorous and more aggressive in the last two years, and which denies fair competition for markets".

Pointing out that Canada has a carry-over of wheat which amounted to more than 700 million bushels this year, and that it is vital to Canada's economy that some 300 million bushels be exported every year, the Prime Minister said that the surplus disposal legislation of the United States has made it difficult, if not impossible, for Canada to maintain its fair share of the world's market.

Mr. Diefenbaker expressed the hope that at the October meeting of the joint United States-Canadian Cabinet Committee on Trade and Economic Questions the matter could be resolved by mutual agreement which would provide for a fair and reasonable solution for the disposal of wheat and agricultural surpluses.

Turning to the large-scale and continuing ownership and control of Canadian industries by United States interests, the Prime Minister urged that United States companies investing in Canada should not regard Canada as an extension of the U.S. market and that they should be incorporated as Canadian companies making available equity stock to Canadians.

The substantive part of Mr. Diefenbaker's address follows:

"There will be full agreement among those present that the Anglo-Canadian-American Community constitutes a grand alliance for freedom, in partnership with others of the NATO family, in the defence of democracy against the Red Menace. This alliance has as its "built-in" stabilizers for unity a common tradition, a respect for the rights of man,

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