

increased five times; petroleum six times, and iron ore thirty-eight times. Nearly three times as many automobiles and six times as many refrigerators are being produced as in the pre-war years. Such a list could be extended almost indefinitely.

The people of this country are keenly conscious of this tremendous production, and while there are many contributing factors, you will, I am sure, agree with me that the major contribution towards our tremendous industrial growth has been made by this government, largely as the result of its sound economic and financial policies. Certainly these advances would not have been made if investors and those with risk capital, both within the country and without, had not had implicit confidence in the essential soundness of the government's policy and administration. This confidence was most aptly voiced by Mr. Keith Funston, President of the New York Stock Exchange, in speaking recently before a dinner of some 600 business, financial and public men on the 100th Anniversary of the Toronto Stock Exchange. He said, and I quote:

I believe that the second century of your career will prove to be a period of growth and progress even beyond your dreams today. Canada is notably a country of massive natural resources, but your government, business and financial leaders have demonstrated that they have the courage, imagination and skill to make certain that the rewards of free enterprise are shared by all people. If we to the south are a trifle envious it is not because we begrudge you a material reward created by your own efforts.

We do, however, envy the environment in which capital is encouraged to work in Canada, and the respect accorded the risk taken. We could use a little more of that encouragement at home, to put it mildly. You have encouraged an inflow of venture capital not only from your own citizens but from every corner of the globe. You have no punitive capital gains tax, no excess profits tax, and you have not placed road blocks in the path of venture capital legitimately seeking employment.

Simultaneously with her vast industrial growth, Canada's trade position has forged ahead, until today, notwithstanding our size, we have become the third greatest trading nation in the world. It must be remembered that in order to maintain these standards of growth, foreign trade must be regarded as little less than our life-line. At present we export two-thirds of our wheat, 95 per cent of our paper and 80 per cent of our aluminum. In fact, Canada's total exports to other countries during the last year amounted to some four billions of dollars.

How has this been accomplished? How have we since 1935 increased by three times the amount of our exports? It was not through any casual or haphazard development. It has been achieved by the sound, multilateral trade policies of the federal administration, by the

continued reduction and removal of trade barriers, and through the government's untiring efforts to increase and develop our trade with the Commonwealth, with the United States, and with nations in every corner of the world. If we are to maintain this position, which makes us the greatest trading nation of the world for our size, we must be prepared to export both finished products and raw materials to every country which needs them; otherwise, they will be unable to secure the money to pay for our goods.

Opposition groups in this country contend, of course, that this exportation of raw materials from Canada should cease forthwith, and that we should export only finished products. This policy of self-containment is illogical and unsound for a variety of reasons.

Firstly—Trading is a two-way street, and valuable markets for our products such as wheat, copper or nickel, would be lost if other countries were unable to earn the dollars necessary for their purchase by selling to us their raw materials and finished products.

Secondly—Canadian consumers would be forced to pay higher prices for many commodities which at the present time we can procure more cheaply elsewhere than in Canada.

Thirdly—If we refuse to export to other countries any of our raw materials, they would naturally retaliate by refusing to ship their materials to us. This would, of course, cripple many industries, such as those engaged in the manufacture of aluminum products, which require Bauxite from outside Canada.

Fourthly—These are the steps which encourage war, and there is no need to remind members of this house that it was the inability to market their goods and the unavailability of imports that in a large part were responsible for the attempts by Germany and Italy to seize by force of arms those areas producing goods which they required.

The government's present sound trade policy and multilateral world trade are necessary and complementary to our continued economic expansion. It is wrong trade policies, those which protect and restrict which are supported by opposition groups, that have previously damaged our trade position, and could even now bring incalculable harm, and stifle or choke our present rapid growth.

Much has been said recently about the loss of the British market. There has, of course, been no loss. There has, in fact, not even been a reduction in the amount of our trade with Britain. On the contrary, exports to Britain have increased from 470 millions of dollars in 1950 to 631 millions of dollars