

Article the contracting nations agreed that: "They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them". To say the least this statement envisages something new in international trade relations not only in seeking "to eliminate conflict in their international economic policies" but also, and this more particularly, in that they "will encourage economic collaboration between any or all of them".

This Congress has traditionally urged and supported extension of international trade and increased Canadian participation in such trade. We have had in the past, and still have, however, certain reservations.

Before we attempt to place before you our views on how Canada could best proceed to carry out her obligation under the NATO Agreement insofar as Article 2 of the treaty is concerned, therefore, we wish to draw your attention to these reservations which we hold in regard to wholesale extension of international trade and increased Canadian participation in such extended trade.

Canada is a great and growing producer of products which most countries require in substantial volume: lumber and the products of the forest including pulp and paper and modern textile fibres; fish products; wheat and agricultural products; uranium, nickel, iron and a whole host of minerals absolutely essential to modern industrial economies; oil processed and manufactured products of ever increasing variety.

Canada is an exporter of many products which fall within the broad categories mentioned above. Our country now ranks fourth—I hear now, third, Mr. Chairman—among the trading nations of the world. We would like to see our exports further increased.

Canada is also an importer. Our imports in dollar value about equal our annual exports. These imports fall into three main groups: raw materials used in our industrial processes—ores used in the production of aluminum, steel and other essential materials; food and other products which cannot be produced in Canada; and products not now produced in Canada but which probably could be. It is this third group of imports that causes many of our affiliated members considerable concern.

We can subscribe in part to the fundamental trading concept that the more trade throughout the world and between the countries of the earth, the greater chance there is for increased Canadian participation in it and the more business done by Canadians both at home and abroad. But we hesitate to go all the way with that theory.

It is the third group of imports that causes the trouble.

If we are to export more and gear our productive capacities to such a policy and campaign, then two unsatisfactory trends are bound to develop: imports, especially in the third group, will increase; and employment of our best skills will become concentrated in our export industries, leaving the home market, which is capable of substantial expansion, underdeveloped. Thus employment would become less stable and the outlook for those with the greatest skills more and more uncertain. And the broad development of secondary industries capable of producing many of the products now imported and of providing employment on a stable basis would not occur.

We are well aware, of course, that a much larger population is necessary to assure us of a broad and healthy home market for our own production. We have made our views known to the Government of Canada on immigration on many occasions. On each occasion we have stressed that we favoured a growing Canadian population to meet the needs of expanding production activities and to broaden our home market. But we have equally stressed