

I would be remiss if I did not, on this occasion, draw your attention to some of the recent figures.

Canadian export trade is today at the highest peacetime level ever attained, considered in terms of physical volume. In the latest six months for which figures are available, exports in volume were higher than in the same six months of any previous peacetime year. In value terms, exports in the first three months of 1955 were \$100 million ahead of the first quarter of 1954. In fact, we have experienced six months of record exports in a world which we all know is becoming more competitive. And exports are higher not only to the United States, which is experiencing such a remarkable spurt of prosperity, but also to the United Kingdom and to other Commonwealth countries.

Imports, too, are up proportionately, which is a healthy sign. It means that Canadians have money to spend and are spending it. When I hear suggestions that Canada is experiencing a recession, I sometimes wonder how this can be reconciled with the large current volume of imported goods.

I note from your programme that the subject of high cost factors in industry is to be discussed. I am aware that some established industries are feeling pinched by higher costs and greater competition. You are doing a useful job in sponsoring an enquiry as to how greater efficiency can be obtained. We must rely greatly upon the skill and ingenuity of management to maintain our place as a free-enterprise trading nation.

I believe it would be a mistake to reason, from the experience of some particular industries, that Canada is becoming a high-cost economy. Admittedly, our costs have risen. Basically, this is because we have passed through a long-sustained period of economic development. In addition, the international situation has given rise to the need for vast expenditures on defence, with resulting pressure on resources and upon wage rates.

In all of this, it must be borne in mind that we are highly efficient producers of the major export products, from our forest, farms, fisheries, mines and factories. We have our low-cost hydro-electric power, with great reserves still in hand. In less than a decade, our country has gained immensely from proven reserves of gas and oil, and discoveries of metals. The Government has been alert to the possibilities of atomic energy and we shall not lag behind in the development of power from atomic materials. The St. Lawrence Seaway will mean lower costs for a significant volume of our trade. In short, we are endowed with a wealth of low-cost natural resources which are at once a challenge and an opportunity for those with vision.

Nothing that I say in this context should be construed as minimizing the need for the greatest possible efficiency. We ought to do our utmost to lower costs of production in every way feasible, so as to maintain our competitive position. I will be most interested in the views of this conference on this subject.

Indeed, your whole programme at this year's meeting should be most valuable in crystallizing the ideas of business leaders on matters affecting the Canadian scene. Canada is like a sturdy and growing young man who knows that this year's suit will be too small next year. Youth is always interested in the styles of the future. We must strive, so to speak, to attain the right style and the right fit -- to build the kind of country we want and to maintain an economy which is neither too tight nor too loose. The important point is that the economy be kept growing.