

trade rules that the Government of Canada has been advocating. There is no reason for pessimism about world trade prospects. On the contrary, I believe a solid foundation has been laid for further progress. We may have a long way to go, but in my opinion, we are moving forward, not retreating.

Quite rightly, Canadians look across the border at their friends in the United States to see how the wind is blowing as far as commercial policy is concerned. For in trade matters it can be said that, as the United States goes, so goes the world.

We can all draw encouragement from recent events. After a prolonged debate, the Trade Agreements Extension Act of 1955 was approved in the House and the Senate. This does not mark a significant step forward but it is nevertheless some progress. More important than the substance of the measures, which are in course of being approved, is the assurance that for the present at least United States Commercial policy appears to have been stabilized. The United States is beginning to make clear its intentions that international trading arrangements are to be strengthened by its actions. This is an exceedingly important development which none of us should under-estimate and is one strong reason why I have some confidence in the future.

May I offer a brief comment on one of the amendments introduced by Congress into the Trade Agreements Extension Act. I refer to the amendment which recognizes that imports may adversely affect the national security of the United States. It is provided that measures may be adopted in such cases to reduce imports to a level consistent with the national security. The new Act provides the President with a great deal of discretion with regard to its implementation. It is appropriate, therefore, even at this early stage, to express the hope that the President will recognize that the security interests of the United States are vitally affected by its trade relations with other countries and particularly with Canada.

We, in Canada, are aware that the strength and unity of the free world depend, more than anything else, upon a sound foundation of multilateral trade arrangements. The events of the past ten years have confronted all countries with temptations to pursue trade policies which would be attractive enough in the short run but which would only lead to trouble. Some countries have dabbled with high tariff protection, others with exchange controls and discriminatory restrictions. In all cases these misguided efforts have reacted against the countries which initiated them. In some notable instances, these efforts have been abandoned and the artificial barriers to trade have been dismantled. There are lessons to be learned from all of this experience. In economic terms, individual countries cannot afford to awaken their productive efficiency by policies of high protection. In terms of peace and security, the free world is not strong enough to endure the international bickering and disunity which would accompany the growth of barriers to trade. For this reason, I hope that, if the United States does consider imposing restrictions upon imports to safeguard its national security, it will not overlook the detrimental effects which such action might have upon those very same interests.

So far, I have spoken about trade policy, about the kind of policies I think Canada should follow and about the prospects for a trading world favourable to Canada and to the free world at large. I have spoken with confidence about the future because I think these are solid grounds for confidence.

This, you may say, is all theory. What about the facts of Canadian trade? I shall not weary you with a flood of statistics but