

half as great again as in 1950. Coarse grains more than doubled in volume. Exports of iron ore and ferro-alloys were 65 per cent greater. The volume of exports of newsprint, nickel and zinc increased by about 10 per cent. These were large increases to have occurred in the course of a year, for some of these commodities are in the list of our biggest exports.

Perhaps you will say that it is not fair to refer only to our increased exports of primary raw materials and foodstuffs. What about the troubles being faced by our traditional exporters of manufactured goods to soft currency markets? These difficulties are very real, and much of the time of my department is spent in trying to overcome them. However, let us never lose sight of the sources of our national strength in international trade. All of us, including our manufacturers, have benefitted largely from the booming export markets we have enjoyed for bulk commodities.

By far the larger part of the goods we produce to offer to the world consists of materials and foodstuffs which are regarded as essential by other countries. These are the products of our mines, our forests, our farms and our fisheries. These constitute the hard core of our exports and of our national prosperity. In this we are fortunate. The rest of our trade, in other fields, all of it important, has been built up on this hard core of which I speak. Compare our strong national position with the plight of countries whose export trade consists mostly of manufactured goods and luxury consumer goods, which are sometimes very difficult to move in international trade. Our primary extractive industries are the basic foundation of a growing pyramid of manufacturing industries producing both for home markets in which population and incomes have steadily increased, and for export.

The world is still facing shortages of strategic raw materials, attendant upon rearmament. Through the Commodity Committees of the International Materials Conference, with headquarters in Washington, international arrangements have been made to deal with these shortages. To cope with short-term problems, the IMC. is attempting to bring about conservation and more equitable international distribution. Canada is co-operating in these efforts. Increased production is however, the only effective solution, and it is here that our resource development programme is so important. We recognize our responsibility to push this work ahead as rapidly as possible, as part of our contribution to mutual defence. I am very glad to be able to report that, as a result of growing output and more realistic appraisal of consumption, shortages are not so serious as was feared some months ago. Looking to the future, I have made it clear to countries that are anxious to secure increased amounts of our raw materials that we would like to see some evidence of their acceptance of Canada as a reliable long-term source of supply, rather than as a residual supplier to be used only during periods of shortages.

What are the longer term prospects for the industries which are equipping themselves with massively increased capacity to produce for export? This leads me to comment on an important aspect of the investment boom which is now in progress in Canada. Many of our new productive facilities are designed to establish and maintain Canadian industries amongst the lowest-cost and most efficient producers in the world.