

I do not think that I am using the language...of exaggeration when I say that Canada's progress in the post-war years has been almost phenomenal. We have only 14 millions of people, scattered across a relatively narrow continental belt, with large undeveloped expanses to bridge, with great obstacles of climate and distance to contend with. But we have worked hard to exploit the resources with which we have been so generously endowed. As a result, our gross national product has increased 86 per cent in physical volume (far more, of course, in value) since 1939, the comparable figure in the United States being somewhat less. Our foreign trade in 1951 was almost exactly 8 billions of dollars, the third or fourth largest in the world.

In all this progress the United States has a large stake, seven-and-a-half billion-dollar investment, and a market in 1951 for nearly three billion dollars worth of goods, which was, we recall in Canada with some uneasiness, about 500 millions of dollars more than your 155 millions of people bought from us. The fact is that we are now your largest customer, buying from you more than the whole South American continent. We are also, I think, a steady and reliable customer.

An American economist, Mr. Leo Cherne, has said this about our growing economic contacts:

"Americans like to do business with Canada not only because similarity of tastes makes it unnecessary to modify standard domestic products to suit the market as is often necessary in foreign countries, but because they get fair and equitable treatment. There is no legislation favouring Canadian over American companies, no shadow of possible expropriation, no need to take local investors or politicians into partnership to protect the business. The political climate is highly favourable. The Government is sympathetic to private enterprise and pursues ... economic policies... comforting to the businessman."

In any event, whatever the reason may be, the trade between us is greater than that between any other two countries in the world. In keeping with the spirit of freedom and enterprise which characterizes both our countries, the currents of that trade criss-cross over our boundary. They reach deep down into your country and keep extending farther and farther up into Canada as our own northern industrial frontier advances towards the Arctic. Every American state and every Canadian province has a part in these beneficial exchanges.

Our two countries have a common interest not merely in trade between themselves, but also in trade with the rest of the free world. In the case of Canada, foreign trade, in fact, represents about one-third of the income of our people. The proportion of your massive national income gained from this source is a good deal smaller. That smaller proportion, however, while it is important economically and politically for you, simply dominates the uneasy economic calculations of the other friendly countries with which you are associated, including my own. Their trade with you is vital to them. In fact, your policies in this field can largely determine the economic health and