

It is not easy to reconcile the need to follow our some times divergent economic interests with the fact of Canadian-American interdependence. This requires some special qualities of mind, which are unfortunately not always present, and it is in this sphere particularly that there is room for improving the economic relations between our two countries. I would like to pay tribute to the valuable work the Chambers of Commerce are doing in helping to overcome ingrained attitudes and ideas which complicate the search for solutions to our economic problems.

Of course the best way of dealing with problems is to prevent them from arising in the first place. We can do this most effectively by facilitating a balanced expansion of the trade between our two countries and encouraging economic growth and development on both sides of the border. In this way our partnership will be strengthened, and we shall be able to take full advantage of the economic opportunities which the future offers. Our two economies are just emerging with surprising resilience from the sharpest set-back of the postwar period. In physical terms national output was maintained in Canada last year at the same level as in 1957, while in the United States it declined by only 3 per cent. We are now in the initial stages of what appears to be a broadly based upswing, although the improvement in business conditions may tend to be masked in the next month or two by normal seasonal influences. In both countries consumer spending is one of the brightest spots in the economic picture. This seems to suggest that among our two peoples there is no lack of confidence about the prospects for the period immediately ahead.

Looking into the more distant future, I believe we are on the threshold of a period of renewed economic growth. It appears that the rate of development may be somewhat greater in Canada than in the United States. In some respects we are still an under-developed country. We still have a frontier in the north and there is considerable scope for increasing and diversifying our manufacturing industries and expanding our service industries. Thus, if Canada and the United States work together there will be many possibilities in the future for expanding trade and broadening economic co-operation between us. However, the task of fostering this interchange is not alone the responsibility of government. It will require the imagination and concerted efforts of people in different walks of life on both sides of the border.