

been in the same geographical position, but I can remember only too well when goods moved a good deal more freely to markets thousands of miles away than across the Canada-United States border.

In part, the great increase in trade between our two countries -- some seven times in value and three times in volume since pre-war years -- is attributable to the high level of demand and to the fortunate circumstance that both countries have been increasingly in need of what could be produced efficiently in the other. But that is by no means the whole story. However high the demand, however fortunate the circumstances, such a great increase in trade would not have taken place had there not been a mutual willingness to facilitate trade.

I know that serious obstacles to Canadian - United States trade still exist, obstacles detrimental to the best interests of both countries. The members of the National Foreign Trade Council know that too. If I may particularize for a moment, I would be even happier about the present state of trade between our two countries if you in the United States were as ready to admit manufactured goods and agricultural products as you are to admit our metals and other raw materials. I venture to hope that you deplore those continuing obstacles as much as I do. Nevertheless, when I look at the state of trade between our two countries today -- when I compare the attitudes towards trade with what they were 15 or 20 years ago -- I can only marvel at the progress that has been made.

This progress has been made, I believe, because there has been in both countries a determined effort to avoid, if at all possible, a return to the "beggar-my-neighbour" policies that led to disillusionment in pre-war years. The world learned a sharp lesson in those years. It learned that prosperity, like peace, is indivisible.

It is sometimes said that the great post-war effort to reconstruct world trade has produced little result, since trade is today more beset with restrictions than ever before. It is unfortunately only too true that trade barriers around some countries have multiplied at an alarming rate. This fact, however, by no means justifies the view that the efforts to reconstruct trade were wrongly conceived, or that they have failed.

On the contrary, had it not been for the series of tariff reductions undertaken since the end of the war, and the acceptance, in principle by many countries, and in fact by some, of non-discriminatory trading practices, there would today, I have no doubt, be even more barriers to trade and less trade. We have not failed; we may, however, have under-estimated the magnitude and, in some ways, mis-judged the nature of the problem.

At the end of the war there was a deeply seated fear of depression, a fear that nations would, in their anxiety to prevent unemployment at home, attempt to export unemployment abroad by restricting imports, as they had done in pre-war years. This was the kind of situation the world most feared, and made preparations to avoid. As things turned out, the problem throughout most of the post-war period has been excessive demand, not deficient demand.