

produce acetic acid and other chemicals from natural gas and petroleum by-products. Wood pulp will be brought in by rail from Prince Rupert, in northern British Columbia, which, together with the acetic acid, will be used to manufacture cellulose acetate, which is used for rayon and as a plastic. Thus, the oil of the Prairie Provinces is already playing a part in the Canadian economy that is small only in relation to its potentialities.

However, let me say at once that our good fortune need not cause Venezuela undue anxiety as to the future use by Canada of Venezuelan oil. Distance and economics indicate that we should aim for statistical self-sufficiency eventually rather than national self-sufficiency. It is a long haul from Edmonton to Montreal - close to 2,500 miles. Further, we are still only producing one-third of our oil requirements and the rate of Canadian consumption is increasing at such a pace, new uses for petroleum are being developed so rapidly in North America there would appear to be an indication that our oil requirements from Venezuela will increase rather than decrease. It is likely that we shall long rely on Venezuela to augment our domestic production, particularly for the demands of eastern Canada.

Canadian-Venezuelan Trade

The economy of Canada requires that we trade with other countries on an even more extensive scale than in the past. More than one-fifth, in fact nearly a quarter, of Canada's national income is derived from foreign trade, a degree of dependence found in few other countries in the world. An idea of the importance of foreign trade to Canada can be obtained from the realization that Canada today, with 15 million people, - hardly more than half of one per cent of the world's population - is the third most important trading nation in the world, being surpassed only by the United States and the United Kingdom.

Now, how is trade between Canada and Venezuela progressing? Well, prior to 1939, we seldom sold to Venezuela nor bought from it more than \$1½ million worth of goods in any one year, or, together, a maximum annual total trade of \$3 million. In 1952, our exports to Venezuela reached \$36 million and our imports from Venezuela were \$136 million or a total trade of \$172 million. Without wishing to confuse you with too many statistics, it is interesting to note the steady increase during the past seven years. On the export side our Canadian shipments to Venezuela amounted to \$4 million in 1945, \$17 million in 1948 and, as I have mentioned \$36 million in 1952. On the import side, our purchases from Venezuela amounted to \$17 million in 1945, \$95 million in 1948 and \$136 million in 1952. Incidentally, I have just received the figures for Canadian purchases from Venezuela for the first 5 months of 1953, and our imports compared with the same period in 1952 are running at a level of about \$6 million higher than last year, which supports my contention that our purchases of oil from Venezuela during the next few years should tend to increase rather than decrease in volume. From the figures I have just quoted it will be obvious that substantial strides have been taken in our trading relations with this country. To a great extent, the international aspects of