

CANADA-U. S. TRADE:

ican goods, mostly equipment to expand our industrial organization and to build roads and other forms of national capital.

"Since the end of the war we have tended to maintain a very high level of imports from the United States. And, as before the war, our high level of imports has been in part a result of the substantial American investment in Canada, though of course even if there was little American investment in Canada an expansion of our industry on a scale comparable with our post-war growth would inevitably mean a high level of imports from the United States.

"Some of our more experienced pessimists in Canada get pretty excited about the tendency of Canadians to buy American goods. Well, when incomes are high in Canada, when times are good, a lot of Canadians want to spend their extra money on American goods. In that respect we are like a lot of people in other parts of the world. And, when our industry is expanding, a considerable proportion of our capital equipment has to be purchased here. There would be widespread dissatisfaction in Canada at any attempt to artificially restrict the purchase of American goods. Indeed, our experience with artificial restrictions like direct controls during and after the war is that while they are sometimes unavoidable as stop-gap measures they produce many inequities and many protests. They are not a good way of carrying on a regular business....

CONTROLS ABANDONED

"As I have emphasized, in recent Canadian economic policy we have tended to rely upon the price system working for us rather than our working against it. We have abandoned trade and currency controls imposed during and after the war. We have, through the mechanism of the General Agreement on Tariffs and Trade, signed agreements with thirty-four countries reducing their tariffs on the entry of Canadian goods and reducing our tariffs on their goods. We have followed a consistent policy of freeing trade. Like any other 'high trade' nation we can only maintain a high standard of living if there is a high and stable level of multilateral trade.

"On the matter of tariffs, I am on the firing line, so to speak, I am the Minister most directly responsible for tariff changes and I know how forcefully the argument can be made by the representatives of some particular industry that the tariff ought to be raised. However, when you hear a demand for high tariff protection, it is pretty hard to escape the conclusion either that tariffs are being sought as a substitute for real competitive endeavour, or that resources and men are being employed in the wrong industry.

"The only thing you can set against that clamour for tariff protection or some other kind of protective restriction upon trade is the general interest we all have as consumers

and citizens. Sometimes I think that if the consumers of our countries were more powerfully organized, as consumers, they would soon become a pretty powerful anti-restriction lobby.

ADJUSTMENTS NECESSARY

"I think we have to face up to the fact that if we want to have a higher level of world trade, and a more stable world trade, someone is going to have to make adjustments. There's not much sense in just talking about freer trade -- you can see that my presence here proves that there isn't any tariff on talk -- there's no sense in talking about freer trade unless we are ready to face up to the adjustments that it must mean -- adjustments that will be in our mutual interest.

"I think we are all convinced that the great strength of the American economy -- and the Canadian economy -- has in part at least been created by a very real devotion to the ideals of free competition. In this half continent there was plenty of scope for initiative and ambition, and there were plenty of the inefficient who went to the wall. That goes in international trade. If we believe in more competition then our people generally and our governments must be prepared to resist special pressures to restrict unduly competition from foreign goods.

"Naturally, as a Canadian, I feel that you here in the States should not place new restrictions on the purchases of goods from your best customer. Indeed, in these anxious times it's more than just a matter of business common sense. When your Government and mine are considering the claims of some particular group to increase protection, considerations of national security -- of maintaining a strong and versatile economy -- must weigh heavily. I think our common security can be greatly strengthened by maintaining a stable and high level of trade between our two countries and between North America and Western Europe. That can be best achieved by relaxing rather than renewing restraints on our trade. I know that at this Fifth Virginia World Trade Conference the majority of you will share that view."

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**IRON AND STEEL PRODUCTS:** Gross output value of Canada's iron and steel products group of industries soared 24 per cent in 1951 to \$1,904,650,130 from \$1,524,858,185 in 1950, according to the annual review of the group by the Dominion Bureau of Statistics. Gains were made in all provinces and in all industries in the group.

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Canadians spent more than ever before on motion picture entertainment in 1952, the \$118,434,481 total surpassing the 1951 high of \$108,206,809 by more than \$10,000,000