in American currency. We have also the Peace River in British Columbia, the international Nelson River in Manitoba, as well as the great Hamilton River in Newfoundland; and I am sure, as the honourable Senator Cook said yesterday, in the not-too-distant future Newfoundland will become one of Canada's "have" provinces, bearing in mind the development of its potential power and its use for the development of the great iron mines and other minerals of that province. I am pleased, therefore, honourable senators, that the Columbia River Treaty is apparently in the process of being settled.

The Speech from the Throne dealt with the very important matter of trade and tariff negotiations. On this subject alone, honourable senators, I could devote an hour or more. Trade, of course, is most important to Canada, as indeed it is to every other country. Probably it is more important to Canada than to many other countries. These negotiations, generally known as the "Kennedy round of talks", are aimed at what the speech referred to as the liberation of world trade. We are told that negotiations will be conducted under the terms of the General Agreement on Tariffs and Trade—bearing the short name GATT. This is very important indeed to Canada, coming at a time when the general trading picture here is bright. It is recognized, and I do not deny it, that we are now producing more at home and selling more abroad than at any other time in our history. Our economy is indeed going ahead. We must hold our markets, and if possible open new ones.

In making the foregoing statement I am proud to say that this general improvement in the trade picture is largely the result of policies instituted by the previous Government. Pegging the Canadian dollar resulted in a boost of our exports and in a restraining influence on imports, which made Canada more competitive in world markets. That is a fact which is well borne out by statistics, and I do not think it can be successfully contradicted.

A second factor influencing the improved trading picture has been the accelerated and extensive sales campaign embarked upon by the Government in co-operation with manufacturers and producers. Honourable senators will recall the extensive sales campaign which was inaugurated a few years ago, when trade commissioners from all parts of the world were brought to Ottawa, and the trade situation was studied. On other occasions the Government sent merchants and manufacturers to other countries to see what trade could be obtained. I am happy to say that this campaign has been continued by the present Government.

Part of the improvement in the over-all pattern has arisen through sales of wheat to eastern Europe and China. That was also started by the previous Government, and the present Government has very wisely continued the policy. However, substantial as the wheat deals have been, they have accounted for only a fraction of the entire improvement in the trading picture; although, of course, we would not like to be without the resultant sales.

I would review shortly a few figures from the Dominion Bureau of Statistics. Export sales of manufactured goods and commodities more than doubled in the last three years. Fabricated materials increased 52 per cent. Exports of raw materials or crude materials increased by 63 per cent. Exports of end products increased 94 per cent over what they stood at in 1953. It is interesting to note that some of these substantial increases have resulted in increased sales of industrial equipment and machinery; electronic equipment, farm machinery, motor vehicles, and so on. Today Canada is becoming a manufacturer of a great deal of very heavy equipment which she did not manufacture a few years ago. One of the most beneficial results of improvement in export trade is an increase in foreign exchange reserves—a general improvement in our balance of payment situation. This has been a great relief and satisfaction to our economy.

As we approach these important trade and tariff negotiations which will be coming up soon, it is well to remember that in order to sell we must be prepared to buy. This applies particularly to our trade with Great Britain and other Commonwealth countries.

It may be of interest if I read from an editorial which appeared in the Ottawa *Journal* of January 13 last:

> In the first 11 months of 1963, the Canadian deficit in trade with the United States was $500,900,000 but this was almost entirely covered by a surplus of $485,700,000 in trade with Britain.

A little further on the editorial continues:

> The point is being reached when Britain can talk to Canada as forcefully as Canada talks to the United States about trade being a two-way street.

While the general economic situation has improved very substantially, we are still faced with that old enemy of ours—unemployment, in various parts of the country.

In the Ottawa *Journal* of February 20 last appears the following headline:

> Government now views unemployment as a regional problem and not a national problem.