

Your traditional dependence on foreign markets and foreign trade has made you particularly sensitive, throughout all your long history, to changes of policy and economic conditions in your overseas trading partners. I need hardly elaborate this point before a Maritime audience. Many illustrations will occur to you: the effects of the abrogation in 1866 of the Reciprocity Treaty with the United States, and the consequent growth of impediments to exports to the United States of products not the least of which has been fish; the sad decline of salt fish exports to The West Indies which followed upon the blow dealt to the cane sugar industry of that region by competition from sugar beet; and the Maritime apple industry, which was a wartime casualty but which, with the many active steps now being taken to encourage trade between Canada and the United Kingdom, may yet come back. All these could spring to your minds as examples of your high degree of vulnerability to changes in the world climate -- economic and political.

What is true of the Maritimes in this respect is scarcely less true of Canada as a whole, where per capita foreign trade is no less than 3.5 times as great as that of the United States. When one considers that one out of every five Canadians is dependent on export trade for his livelihood, the crucial importance of our external trade becomes starkly apparent. It is of these external economic relations that I intend mainly to speak tonight and, in particular, about the role of Government in the fostering of harmonious international trade relations. Notwithstanding the fact that Canada has a free enterprise economy and indulges in the minimum of state trading, governmental responsibilities have grown tremendously during the past few decades -- grown, in fact, in direct ratio to the ever-expanding network of international economic and trade regulatory machinery. The governmental role has grown, too, as a consequence of its exclusive responsibility for international aid programmes -- of which I will say more later in my address.

But to deal first with trade -- the general objective, of course, of the Government's economic policies is to facilitate and foster trade both by seeking to overcome obstacles which may arise from time to time, and also by striving to create an international atmosphere which will help to expand trade on a world-wide basis. In the pursuit of this objective, it is of prime and increasing importance today to have an intimate knowledge of the policies and intentions of governments, since international trade is more and more being conducted, or markedly influenced by governments. We also find ourselves participating in regular and close exchanges with our principal trading partners. We find economic matters arising more and more in many of the United Nations activities in which we are participating. Indeed, the means and methods of international economic co-operation have been multiplied out of all recognition over the past twenty years, and this is not just a sort of international