

industry is now producing 360,000 tons of ingots as compared with 83,000 tons in 1939. We have in Canada today highly developed and efficient output of such complex industrial products as machine tools, aircraft and electrical equipment. We are now selling in competition with the most highly industrialized countries many products which we did not produce at all before the war.

Canada's external trade has about quadrupled in value and doubled in volume as compared with the pre-war years. Although we have much less than 1 per cent of the world's population, we are the third largest trading nation, ranking immediately after the United States and Great Britain. On a per capita basis, our external trade is roughly double that of Britain and four times that of the United States. Acting as one of the great "prime movers" in our economy, our exports now exceed \$3 billion and account for about a quarter of our total production of goods and services.

The total of private and public investment is now about four times as great in money terms and more than twice as great in real terms as before the war. Last year it amounted to \$3.4 billion; this year it is forecast at just under \$3.6 billion or about 22 per cent of gross national production. This percentage ratio is not only the highest in our history but is, I believe, the highest of any nation for which comparable statistics are available. I need not point out to this audience the significance of these capital expenditures in expanding our productive capacity and increasing our future productive efficiency.

Incidentally, if the figures which I have given above or may give later do not impress you as unduly large in absolute terms, I would suggest that you convert them into U.S. terms by multiplying them either by 11 which is about the ratio of our respective populations, or, what is more appropriate in most cases, by 16, the ratio of our respective national incomes. Thus, using the latter ratio, our current rate of investment activity applied to your conditions would involve a total capital expenditure in 1950 of \$57 billion.

Increased output and rising productivity have permitted substantial advances in our material welfare. Moreover, all sections of the population have benefited in what, I believe, has been a reasonably balanced and equitable manner. Total labour income, for instance, is now about three times as high as before the war and so is the income of our farmers. After making allowances for price increases and population growth, it is safe to say that the average Canadian today consumes goods and services on a scale about half as high again as he did before the war.

If you were to suggest that all these achievements could not just have happened by themselves, you would not be surprised to learn that, as Minister of Finance, I would be prepared to agree and to admit that the Government should be given at least some small share of the credit. In a free enterprise economy -- such as we have in Canada and as you have in your country -- Government, of course, is only one factor. We have been fortunate in Canada. Nature has endowed us with bountiful natural resources. Our business men and industrialists have shown a remarkable spirit of initiative and enterprise in making the most of their opportunities. Our labour force is energetic and industrious, quick to learn the complex skills required in a modern industrial community. Our farmers have been in the foreground in applying the most advanced methods of agricultural science. Given this combination of favourable factors, the primary task of the Canadian Government has been to promote the general conditions under which