

a profound effect upon the course of business, not only in Canada, but throughout the world. But I do not think Canada would be any more sensitive to such a development than any other country, and probably less sensitive than many.

In any event, let us not concentrate our attention too much on what happens if economic prospects deteriorate. The fear of depression has obscured clear thinking about many economic problems and has, I believe, led on some occasions to serious errors of judgment in public policy in many countries.

Canadian natural resources promise to give Canada an increasingly important place in world industry and trade. Our neighbour, the United States, is becoming increasingly dependent upon Canada as a source of essential materials and supplies. To quote the Paley Report, "the United States has crossed the great industrial divide and from being a nation with a surplus of raw materials has become a deficit nation".

Similar conditions of scarcity now exist in many parts of the world. Canada is at this same time in possession of vast and increasing resources of many of these very materials of which other countries are short. This great storehouse of basic products promises much to the future of the world, as well as to the economic future of Canada.

The problems we can see ahead for Canada have mostly to do with the external situation, with world trade and with international finance, some of which I have discussed with you today. They are really world economic problems in which Canada is involved, rather than specifically Canadian problems. We have, in fact, very few worries about the internal structure of the Canadian economy. It is in good balance; the productivity of the Canadian people is high; its rate of growth in recent years has been prodigious.

These great advances in Canada's material well-being have been attained within a framework of free enterprise and free competition.

These terms "free enterprise" and "competition" are hackneyed phrases. I use them at this time because I believe that they do describe pretty accurately the sort of conditions that have prevailed in Canada in recent years. I might express the point I have in mind in another way. The expansion of our country has not been directed by governments. It is not the result of subsidies or artificial stimulation. It is not of the "hot-house" variety, hiding behind new trade barriers, and unable to meet world competition. On the contrary, it is the result, in the main, of the efforts and investments of private individuals and companies who were prepared to work hard and to take risks.

Those who look upon this as an ordinary boom, then, or attribute Canadian prosperity and expansion to world rearmament, miss the true significance of what is taking place. Shakespeare said "there is a tide in the affairs of men which taken at the flood leads on to fortune". Perhaps this is true also of nations. For one can usually mark a period in its history when each of the leading nations of the modern world seemed to gather strength and suddenly take great strides forward in wealth and power. I think it not improbable that Canada is passing through such a period.