

The new opportunities which our development is creating is one of the reasons behind the more rapid rate of increase in the Canadian population than in the population of the United States. In the period 1946 to 1955 Canadian population has increased by 27% compared with an increase of 17% in the population of the United States for the same period. It is becoming common-place in Canada to think in terms of a population of 25,000,000 in the not very distant future. The addition of 10,000,000 more Canadians to our present population of 15,000,000, offers prospects of a market large enough to support a greatly increased number and variety of industries, operating at high levels of technical efficiency. And the further prospects of having next door to us possibly 50,000,000 more Americans, with steadily rising standards of living, is an irresistible long term bullish factor.

We on the North American continent are always on trial - we must go on proving to the world that our economic system is sound and that it offers unequalled opportunities to our peoples. All of us believe this to be so - but for that reason we must be sure that no action either of us takes is detrimental to the well being of the other. In the export field, spending based on rising labour income. In the export field, apart from wheat, there are no adverse clouds on the present horizon. We have as well the substantial underpinning of consumer demand by family allowances, old age security, and unemployment insurance, and these were, I am sure, important factors in minimizing the recession in 1954.

short run, it is, of course, most difficult however, recently a longer term economic the probable developments of the next twenty-five or thirty years. Already it has had a stimulating effect in focusing attention on the direction in which we are moving, or should move. A considerable part of the Canadian post-war development has centred around the discovery of new mineral resources and the development of other natural resources, particularly the resources of the forest and the resources of water power. The large amount of investment in resource development is one of the reasons why Canadian investment has absorbed a higher percentage of gross national product in the post-war period than has U.S. investment. For the period 1946 to 1954, 18% of Canadian gross national product was devoted to domestic investment compared with 14% in the United States.



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Eighty-five percent of this investment has been financed from our own domestic savings, but we have also benefited from and welcomed a heavy flow of investment from outside our country. Most of this foreign investment has come from the United States, but we have been glad to see a considerable renewal of investment in Canada from the United Kingdom and from several European countries. We, on our part, have also been investing money abroad in substantial volume, both directly and through various international agencies.

While we welcome our close economic ties with the United States, we are convinced that our interests cannot be limited to North America. We live by world trade, and that is why we have devoted so much effort and money to helping to restore the fabric of a multilateral and friendly trading world.