

billion a year - an increase, at market prices, of over 40 per cent since 1950. This marked growth in production has been the result in part of our rapidly growing population. In the last ten years alone our numbers have gone up by nearly a third and we are now a nation of more than fifteen and a half million. The discovery of vast new natural resources - notably oil in the Prairie Provinces and high-grade iron ore in Labrador - has been an important factor, although only one factor in our expansion.

Canada is in truth growing up. We are unlikely to become another American Colossus, but our development should be worth watching. It is fascinating to speculate on what the future may hold. I don't suppose there is any reason to think that the Canada of today will bear much closer resemblance to the land of tomorrow than does the present Canada resemble the country I remember as a boy.

But idle and uninformed speculation is not enough. For business and government it has become essential to secure a clearer picture of the kind of country we are likely to be living in twenty and thirty years hence. For this purpose our Government recently assembled a small group of distinguished Canadians, armed them with a Royal Commission and instructed them to peer into our future and report on "Canada's Economic Prospects". This somewhat unusual body have a wide and complex mandate. They will be studying population and work force trends, the related needs for basic services and facilities, probable domestic and foreign demand for our products, employment, the position of our secondary industries and much more. In fact the Commission will attempt to reach broad conclusions about the direction and nature of Canadian development over the next few decades. In the process the Commissioners may be expected to delineate the main problems which lie ahead of us. Presumably, too, they will have something to say about the policies which may be appropriate to the new Canadian environment.

This Commission is, of course, not alone in Canada in its preoccupation with the economic future. In the ordinary course of government, Federal, Provincial and Municipal authorities are constantly concerned with the problems associated with our national development.

It would be foolhardy for a diplomat to try to anticipate the conclusions of the experts. But, recently, the Governor of the Bank of Canada had a number of interesting and stimulating things to say on what may be ahead of us. He suggested that, over the next twenty years, the Canadian population might go up by as much as 50 per cent. On careful assumptions, he concluded that by 1975 our gross national product might be better than double that indicated for the present year. Given a larger domestic market and some physical limit on the prudent exploitation of natural resources, he came to the conclusion that exports, though continuing to be a major influence in the Canadian economy, would decline in relative importance. With increased economic maturity, the Governor thought we would be able to produce efficiently more of the finished goods hitherto imported. In short, he foresaw a bigger, more stable, better balanced and more Canadian economy.

One of the striking features of the economic relations of our two countries in the last few years - and one which has important implications for the future - has been the heavy flow of United States investment capital