

STATEMENTS AND SPEECHES



INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 52/59 CANADA'S POST-WAR FINANCE

(This address was intended for delivery by Dr. W.C. Clark, Deputy Minister of Finance, on December 29, 1952, to a joint meeting of the American Economic Association, the American Finance Association, and the Chicago Association of Commerce and Industry in Chicago. It was never given. Dr. Clark was stricken by his last illness on his arrival in Chicago on December 27 and died the same day.)

...A forecaster at the close of the war would have had some warrant for taking a gloomy view of Canada's prospects during the succeeding half-dozen years. The war had cost our nation of just over 12 million people not far from \$20 billion, and while Canada's war finance policy had been as intelligent and as rigorous as that of any belligerent, nevertheless the net national debt had increased from \$3.2 billion pre-war to \$13.4 billion on March 31, 1946. Our industry had been vastly expanded for war purposes and we faced a task of suddenly integrating into a peacetime economy a very large volume of war plant capacity as well as nearly 1½ million war workers and men and women demobilized from the Armed Services. Finally, as a country in which export trade normally accounts for 20 to 25 per cent of total production, we were forced to look with concern on the vast destruction and dislocation which war had brought to a large part of the world and particularly on the impaired strength of our traditional major customers in Western Europe and the break-down of the multilateral system of trade and payments.

However, as a result of a happy combination of good luck, good geography and good people ... post-war Canada has confounded the pessimists and has enjoyed a period of unexampled development. It has not all been plain sailing - we have had some squalls to weather, some stormy seas to test our seamanship, but on the whole the log reveals a record of rapid, forward advance in all the major indices of Canadian growth. A panoramic view is to be found in the estimates of our gross national product. At the low point of the depression in 1933, that product had fallen to \$3.6 billion; in 1939 it had climbed to \$5.7 billion and by 1945 to \$11.9 billion. Today it is running at an annual rate in excess of \$23 billion. Since 1946, it has increased in real terms by over 24 per cent. This period of rapid expansion could be called a boom, were it not that the growth has been so balanced and the traditional excesses and distortions of a boom so little in evidence.