

"Canada is a free enterprise economy and the initiative for economic expansion rests with private individuals and firms. The Government will endeavour, through its policies, to create a climate within which private initiative thrives and industrial expansion is encouraged."

Just last month, your President expressed the same thought in this way:

"A government always ready, as this is, to take well-timed and vigorous action, and a business community willing, as ours is, to plan boldly and with confidence, can between them develop a climate assuring steady economic growth".

It is abundantly clear from these two statements that in the United States and Canada our economic objectives are fundamentally the same. In both our countries we are convinced of the wisdom of giving full play to individual initiative. At the same time, we recognize that there are certain broad fiscal and monetary measures which governments must be prepared to implement in order to create and to continue an atmosphere that is conducive to a high level of economic activity.

#### Canadian -- U.S. Post-War Economic Expansion

The people of the United States have watched with interest the recent rapid development of Canada. Since the end of World War II, the Canadian economy has undergone a greater expansion than at any previous time in its history. Indeed, Canada, in the last eight or nine years, has experienced a rate of business and industrial development never before achieved by a nation of 15,000,000 people. Translated into human terms this has meant higher standard of living, increased leisure and a vast improvement in the health and well-being of our people. Since 1945 Canada has

- doubled its national production -- an increase in real terms of 24 per cent;
- witnessed the greatest investment activity in its history -- totalling some \$30 billions;
- kept its finances in a state of solvency while most governments were keeping their books with red ink;
- invested a dollar abroad for almost every dollar invested in Canada;
- set new production and employment records and provided its people with the highest real incomes in their history.

And we Canadians feel that our period of expansion is not yet over. On the contrary, in spite of certain temporary set-backs and adjustments in particular industries or localities, we have confidence in the continuation of high levels of economic activity throughout 1954 and for some time to come. And we hope that your people share in that