

enormously their investment in plant and equipment. I am astounded at the information I receive as to the plans that are still underway for further expansion and improvement. Before the war business enterprises were investing in new construction, equipment and machinery, apart from housing, about \$400 million per year. Last year they invested in the neighbourhood of \$1½ billion, and, if they carry out their present intentions, the total in 1948 may reach \$1½ billion.

It is a great source of satisfaction to me as one of the representatives from this city, as I know it is to you, that Montreal business men lead the way in this great industrial effort. According to the information gathered by the Government, expenditures on capital development in the Greater Montreal area in 1947 were \$83 million and are expected to reach about the same total in 1948. These are the largest figures for any urban area in Canada.

From the point of view of our dollar position and because of its general inflationary effect, it would be better for everyone concerned if the programme of capital expansion and improvement were spread over a longer period, and I am hopeful that this will be one of the results of the dollar-saving plan. But there can be no doubt that as the new plant and equipment get into production, Canadian industry, already endowed with new skills and improved "know how", will be in a position to achieve even higher levels of output.

At this point may I pause to record one of the most striking impressions received by my officials and myself