

As for the present year, 1953, this promises to be another banner year in Canadian economic development. In 1952, our gross national product, that is the total output of finished goods and services, was \$23 billion. On the basis of latest estimates, we may confidently expect 1953 production to attain more than \$24 billion. This increase of more than \$1 billion will be entirely attributable to an increase in the physical volume of production, for the price level has declined slightly over the past eighteen months.

Particularly significant is the fact that the rate of Canadian expansion as measured by capital expenditures continues to rise. At regular intervals my Department makes a survey of the investment intentions of business and government, and, according to the latest compilation, there will be an increase in capital expenditures in 1953 of about 9 per cent over 1952 which was, of course, a record breaking year.

On the consumer side, labour income for the first part of 1953 shows an increase of approximately 10 per cent over that for the same period of 1952. Retail sales showed a 6 per cent growth. It is significant that with the rise in investment outlay, in labour income, and in retail sales, there has been relative stability in prices. In fact, apart from a slight upturn recently, the trend in both the consumers price index and the wholesale price index has been downward over the past eighteen months. An inflationary threat is no longer with us.

The volume of Canadian trade, although somewhat smaller than a year ago, is still at very high levels by any normal standard. Imports during the first half of 1953 are indeed even higher than they were in the first half of 1952, which is a reflection of our continuing prosperity and expansion. Exports, on the other hand, are somewhat lower than they were in the first half of 1952, reflecting in the main some closing in of markets for manufactured goods in dollar-short countries and some price declines for important Canadian staple exports.

While I am on the subject of exports, I should like to make a few remarks about the current grain situation. To those of you who come from Western Canada, it is hardly necessary for me to emphasize the importance of grain to the whole Canadian economy. Let me remind you of a few facts.

Over the past ten years, the average value of the Western grain crop to the farmers who raised it was \$989 million. The average annual value of all metals produced in Canada during the same period was \$478 million and of all primary forest products about \$455 million. Western oil has attracted the attention of the world, and so it should, but it will be a long time before oil begins to rank with grain as a source of wealth. The 1951 grain crop is the last one for which there has been a complete accounting. The value of the grain crop of that year was \$1,500 million. In the same year, the value of oil produced was about \$120 million. It is true that the production of oil in 1952 increased to \$142 million but 1952 also established many new records for Western grain.

Last summer, the Prairie Provinces produced 664 million bushels of wheat. The previous record was 545 million set in 1928. When you realize that the ten-year average wheat crop -- 1940 to 1950 -- was 350 million bushels, you will