

Our newsprint output is four times that of the next largest producer, the United States, and more than half of the world's total. Expansion now underway will have increased our pulp and paper capacity by some 20% since the end of the war.

The development of these natural resources will be a big thing in itself but even more important in the long run will be the processing industries which grow up on the base of these raw materials. Canada is rapidly advancing beyond the status of a "hewer of wood and a drawer of water."

Consider for a moment the extent of our capital development. Last year all capital expenditures in Canada totalled \$2.4 billion and they will be considerably larger this year. It would take a longer time than I have available tonight merely to list the main components of this enormous programme. One of its most interesting features is the extreme diversity, ranging all the way from perfume to rolling mills. This diversity is another indication of our growing industrial maturity. In relation to national income, our capital expenditure is running over one-third higher than even the high rate prevailing today in the United States. It should not be surprising that this is so because Canada is only now reaching the stage of development which the United States went through in the first quarter of this century...when resources, capital investment, growing industrial know-how, and immigration combined to produce phenomenally rapid growth.

As a footnote to these facts I should mention that the current rate of immigration offers proof of the attractions of Canada to other people. The fact that it is generally approved in Canada also shows the confidence which we have in our own future growth and capacity to absorb newcomers. Immigrants are carefully chosen for the contribution which they can make to Canada, and are now being added to our population at a rate of more than half our own natural increase.

Even from this very sketchy presentation of some of the prospective developments of Canada's immediate future, I would suggest that a sales executive...Canadian or American...would conclude that Canada is a customer well worth cultivating and well worth knowing.

Now let me turn to the last query on our questionnaire. What are the personal attitudes and characteristics of Canadians? What are our human resources and what bearing do they have on our possibilities as a customer?

I think I need to take less time with this reply than with any of the others. Americans know Canadians intimately as individuals. They know that they have many tastes, attitudes and aspirations in common. Canadians are perhaps more cautious...more conservative...in their outlook than Americans (which may or may not be a good thing) but they are an immensely vital people.

The characteristics that are implied in the word "Canadian" have emerged more slowly than those implied in the word "American". In my opinion, the effort to create those characteristics and to win recognition for them has brought a sense of achievement which will not lightly be given up.

This brings me to the point where I might refer to the idea of Customs Union, of which we hear much these days. It would be fair to say that Canadians appreciate the interest which prompts this idea, and most of them feel that it should be thoroughly examined. But in thinking of this idea one or two points should be kept in mind as a