

The Address—Mr. Howe

results before counting our losses. I am sorry I have ruined my friend's favourite speech.

Mr. Ross (Souris): You wait until he has the next opportunity of talking for forty minutes.

Mr. Howe: My time has almost expired, but I should like to say a word about the economic outlook. As I have said before the prosperity of a country can be gauged fairly well by the annual volume of its exports plus the annual volume of its investment. In Canada, our capital investment program for the year 1948 stood at about \$3 billion. By a coincidence, our exports from Canada during the year 1948 were also at about the level of \$3 billion. At the same time our gross national product—that is, the value of everything produced in Canada during 1948—was in excess of \$15 billion. I might say to hon. gentlemen that each of those figures is just about three times the comparable figures of ten years ago and about six times the comparable figures of the period 1930-35 which hon. gentlemen opposite know something about.

In our department it is customary to attempt a forecast of the current economic period. Earlier today I tabled the results of a questionnaire that is sent out by the department to some eighteen thousand business firms in Canada. It is sent to municipalities, to provinces and to every agency that carries on construction work. It is a type of survey that has been made for the past several years which has proven to be remarkably accurate. Its importance has been recognized by business, and each year we are getting better co-operation from business in working out that survey. The survey reveals that the total investment intentions for 1949 exceed those of 1948 by about eight per cent. That is eight per cent in value, which means by about three per cent in volume. There are some changes in the pattern for 1949 investments. There is a higher proportion of investment, on the part of institutions, in utilities and in housing and a somewhat lower proportion in the manufacturing industries. That is indeed an exceedingly large investment program for a country of our size, but the supply situation has improved considerably and there is every reason to believe that Canada will be able to complete the program that is there indicated.

A study of the gross national product figures indicates that the gross national product for 1949 promises to be about \$1 billion higher than the \$15,500 million estimate for 1948. There is an indication that the general level of business will be about the same as in 1949, with a leveling off in prices that will relieve the economy of the inflationary pressures that were caused in part by the short

[Mr. Howe.]

supply position. As a result of the survey, and of the studies that have been conducted by officers of my department who are competent to make such studies, I think I can say that, barring earthquakes, serious labour-management troubles or a change in government, the position of our economy during 1949 will not deteriorate, and the people of Canada can be assured that 1949 will be as prosperous a year as was 1948.

Mr. Adamson: May I ask the minister a question? He said there was an increase of eight per cent in value and three per cent in volume as between the years 1948 and 1949?

Mr. Howe: Talking about investment, yes.

Mr. Adamson: The expected investment will have an increase of eight per cent in value which, according to the minister's figure, is three per cent in volume?

Mr. Howe: That is right.

Mr. Adamson: That is, in that period we have fallen that much in the relative purchasing power of the dollar.

Mr. Howe: That is from a comparable period in 1948 to a comparable period in 1949.

Mr. W. Ross Thatcher (Moose Jaw): I am sure, Mr. Speaker, that the house found the speech of the Minister of Trade and Commerce (Mr. Howe) most interesting, but I wonder if a great many of the Canadian people will not also find it a bit disappointing.

Mr. Cruickshank: This one certainly will be disappointing.

Mr. Thatcher: I wonder if the minister had cause to be as optimistic as he appeared to be. He made the statement that the condition of Canadian trade at the present time is healthy. I do not see how he can arrive at that conclusion, because a good deal of our trade at the moment is based on loans or credits that we have made to Great Britain, or on ERP aid; and I understand that there is every possibility that those loans will soon be used up, and that ERP aid will soon be gone. When that time comes, I wonder in what kind of position we Canadians will find ourselves.

This afternoon the minister talked, it seemed to me, a little bit too much about the present. He did not talk about the future. He did not tell us what he plans to do to increase British imports into this country, or what he plans to do to remedy the deteriorating position of our British-Canadian trade. I plan, for about fifteen minutes this afternoon, to talk about that subject. During the past year we have seen our exports to Britain shrink rapidly in almost every line. This