problems are met are those which the peoples and governments of the various countries deem best under all circumstances. Some are designed to meet balance of payments problems, such as import controls designed to limit expenditures of scarce currency; others are the consequence of price support or other policies designed to maintain employment and level out the peaks and valleys of price movements. But the fact remains that practically all countries of commercial importance, and particularly those that are experiencing difficulties in their international balance of payments, are using in greater or lesser degree the technique of direct trade controls. It is, however, not my purpose to argue here the pros and cons of the various methods by which these problems are being or could be met in this or any other country. Much time and thought has already been given to these subjects both in Canada and in numerous international meetings, and the discussions should, and undoubtedly will, continue. Strong views are held in different quarters on these subjects and there will always be arguments as to the degree to which one method or another should be used to achieve the desired results.

What I should like to do to-night is to start from the premise that, whether we like it or not, and irrespective of the particular technique that is used in any country, the trade of a large number of our traditional customers is going to be regulated for as far ahead as one cares to look these days. The particular method by which the trade is regulated, whether it be by a direct import prohibition, by a system of multiple exchange rates, by rigorous customs administration, or simply by high tariffs, may often appear as the direct cause of our trouble; but the simple fact is that the dislocations of the War, coupled with increased concern in most countries over the stability of prices and the maintenance of employment, add up to only one result -- regulation of trade. Furthermore, it is the case that a good deal of this regulation is designed towards exchange conservation, with the inevitable tendency to favour imports of raw materials rather than manufactured goods. For example, in the case of the United Kingdom one only has to recognize the impact of the loss of that country's foreign investments, from the revenue on which she used to pay for a large part of her imports, to see the obvious pressures that develop to protect domestic industry, to do without imports of anything that can be manufactured domestically and to spend the country's limited resources on raw materials and basic foodstuffs rather than on manufactured goods.

In looking at the Canadian position I have mentioned foreign trade first, but one must also look at the other main pillar, or, if I may mix a metaphor to illustrate my point, the other main-spring of our economy -- the level of our domestic investment. There is an important relationship between these two -- foreign trade and domestic investment -- and we are very dependent on maintaining this relationship as a harmonious and closely coordinated working arrangement if we are to maintain a high level of employment and income. It is an interesting coincidence, but just a coincidence, that our exports this year will be about $3 billion and our domestic investment about $3 billion.

The volume of Canadian domestic investment since the War has been as impressive as the volume of Canadian foreign trade. Again, to give you some statistics, in the four years 1945-48 we have made a larger investment in manufacturing enterprises and utilities, and for that matter in all forms of business, than we made in the four boom years 1926-29 and the four pre-war years 1936-39 added together. The wartime elimination of the

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