

STATEMENTS AND SPEECHES

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INDUSTRIAL PROGRESS AND THE CANADIAN ECONOMY

An address by the Minister of Trade and Commerce,
Mr. C.D. Howe, to the American Society of Tool
Engineers, in Montreal, on October 29, 1949.

I particularly appreciate my invitation to be your guest speaker this evening. I would like to extend a hearty welcome to our visitors from the United States on behalf of the Government of Canada. We in Canada take pride in our industrial development of the past ten years, and I am aware that you who are assembled here have a right to claim credit for having equipped Canadian industry, as well as American industry, with the best tools in the world.

This evening, I propose to tell you something of the Canadian economy and of our industrial progress of the past ten years. I may even venture to discuss prospects for future industrial development. The tool-making industry can prosper only as industry generally can prosper, and therefore, I feel that this line of discussion may interest your membership.

Ours is a healthy, prosperous, well-balanced and, in fact, a booming economy. Our situation compares favourably with that of any other country in the world. In the short period of the last decade, we have about tripled our production in money terms and doubled it in real terms. Canadian labour income has tripled; Canadian farm income has tripled; Canadian external trade has about quadrupled in value and doubled in volume. In short, Canada has never been in a better position to face whatever adjustments may be necessary in our economic life. That adjustments will be necessary, following the abnormal conditions of the last decade, should be obvious to all. The striking point is the extent to which these adjustments already have been made, and that, during a period of adjustment, Canada has maintained a higher level of investment, production, employment and real standard of living than ever before.

Canadian industry, like that of the United States, has surged forward during the war years, partly at least as a direct result of war demands, and in post-war years, because of the physical destruction in Europe, and the virtual elimination of the industry of Germany and Japan. The Canadian development would have proceeded, but at a more moderate pace, in any event, as a natural result of the development of our resources, but the war and post-war conditions have pushed it ahead under forced draft. Canada is now in third place among the nations of the world in exports of manufactured goods, following the United States and the United Kingdom. In per capita terms, Canada's exports are much larger than either the United States or the United Kingdom. In short, Canada has come of age, industrially, within the past eight years.

The spectacular growth of our manufacturing capacity applies to established pre-war industries, such as motor vehicles, railway rolling stock, agricultural implements, and textiles, as well as to other industries which were of minor importance before 1939. Examples of the