

of products and processes -- such as automatic process control systems -- which serve to enhance productivity or otherwise contribute directly to economic growth.

One result is that Canadian industry is becoming increasingly specialized, to the extent of concentrating main export endeavours on the design, development and manufacture of products which can most successfully compete in increasingly sophisticated markets. This is particularly evident in such fields as specialty machinery and industrial equipment incorporating automated or computer-controlled processes, in telecommunications equipment, in microminiaturized electronics, in avionics and nucleonics.

In working toward these goals, Canadian industry is also well served by the National Research Council, the Canadian government research agency, which rates with the most advanced of such establishments in the world, and by research councils organized by Canadian provincial governments and universities.

Over the 20 years 1946-66, the per capita productivity of industrial employees advanced at an average annual rate of 2.5 per cent. The aim is to improve this rate through advanced automation, improved education and more efficient management.

While Canada's rate of advance has not matched the soaring increases in industrial production achieved in the last decade, by Japan and Italy in particular, its growth roughly parallels that of some other major industrial countries. Using the index of manufacturing production as a yardstick (1958 = 100), Canada's index of 179 at the end of 1967 compared favourably with the same figures for the United States (173), West Germany (180), Sweden (179) and France (172), and was well ahead of the figure for Britain (142).

The industrial countries in the OECD have agreed on a target for economic growth in the 1960s -- that of increasing their combined real income by 50 per cent. The evidence of the past five years suggests that this target will be reached or exceeded by 1970, which implies further expansion of world trade. This is of fundamental importance to Canada, because the nation has one of the world's most rapidly growing populations (Canadians in 1961 numbered 18.2 million; by July 1 1967, there were 20.4 million).

Natural Resources

As noted, much of Canada's export trade is based on an abundance of natural resources. These have had an all-pervading influence on the country's economic development.

Canada is an important source of supply to world markets for resource materials of all kinds (but whereas these were once shipped almost entirely in raw form, they are more and more being processed in varying degrees before export). The four principal resource sectors are:

Agriculture. With more than 160,000 square miles of highly productive farmland, mostly in the prairie provinces of Manitoba, Alberta and Saskatchewan, Canada usually holds about one-third of the market shared by the world's four principal wheat sellers, the other three being the United States, Australia and Argentina. Livestock play an important part in Canadian farm production, which also includes other grain crops, oilseeds and dairy products.