The value of all exports of goods and services in recent years has been equivalent to about 24 per cent of gross national product, as compared with 30 per cent in the late 'twenties, and a projection of the trend suggests a ratio of about 20 per cent by 1975. This would be consistent with a rise in exports of goods by as much as 65 per cent (against a rise of 100 per cent or more in gross national product), so that I am not suggesting that exports and export industries will cease to be important or that we will lose interest in efforts to keep open and if possible widen the channels of international trade.

We must recognize, however, that there are limits to our natural resources, and to the growth in production of raw and semi-finished materials which are the chief items in our export trade, and so to the amounts available for export after greatly increased domestic requirements have been met. On the other side of the trade picture, with increasing economic maturity we will be able to produce efficiently more of the finished goods hitherto imported, so that imports, rising by perhaps 50 per cent, will nevertheless grow less rapidly than total consumption of such goods.

The overall effect of such developments should be that the Canadian economy would be more stable, because more dependent on production for domestic use and less exposed to the leverage effect on a small country's trade and unemployment of even moderate fluctuations in other much larger economic units.

This picture would be somewhat changed, at least in degree, if strong foreign demand for raw materials, and rising prices, coincided with large new mineral discoveries in Canada. Over the next 20 years, while the population of Canada rises by 7 or 8 million, the population of the United States is expected to increase by 50 million or more and while our gross national production, and so consumption, may increase by $30 billion worth of goods and services per annum, the United States economy will be capable of chewing up an extra $300 billion worth, or more, in 1975 as compared with 1955. A very large increase may also take place in the rest of the world. At present it looks as though the United States will become increasingly dependent on foreign sources of raw materials. Perhaps the necessary supplies will be developed at moderate cost from the virtually untouched resources of Africa, Asia and South America. If not, the rate of development and exhaustion of Canadian resources, particularly of minerals will be greatly accelerated. Agricultural settlement, at least of a familiar kind, has not much farther to go, and our forest resources are also within sight of maximum annual cropping. Minerals once taken are not replaced. One can see the possibility of major questions of conservation policy and of the best utilization of natural resources arising for consideration in the years ahead.

Financial growth will accompany physical growth of the economy, though the annual increase in the rate of investment in capital assets may not be as great as the rate of increase in total output. There are some signs that the proportion of gross national product devoted to annual capital formation may decline from recent levels which have been unusually high. One would certainly expect that the net inflow of capital from abroad evident in the last three or four years would disappear with growing