

indicates that you are genuinely interested in the stated objective. What is decided upon here will obviously be the result of full and representative discussion and the fact that all points of view have been taken into account in establishing the principles for a new Canadian association.

It has come to be accepted in the "free world" that the aims of national policy should be directed to the attainment of certain goals, including full or nearly full employment, a high rate of economic growth, rising standards of living, an equitable sharing of national income, price stability and avoidance of inflationary pressures. Those of you who have assumed responsibility for development in the industrial sector have a direct role to play in achieving these objectives and few people would quarrel seriously with their validity, at least in general terms.

Achieving our common goal of industrial expansion is not an easy task, however, and it will never be reached in isolation. Consequently it makes sense that developers in both the private and government sectors should be combining their efforts in developing secondary industry. For manufacturing has been and will continue to be an indispensable element in the economic development of our country.

While the importance of manufacturing to Canada's growth and prosperity has been recognized since Confederation, it has been receiving increasing attention in the last two decades, both from the standpoint of growth and employment, as well as of its vital contribution to a rising standard of living.

Secondary Industry Vital

In the past, Canada was almost wholly dependent for economic growth upon the exploitation of its natural resources. Over the years, with the development of new resources such as oil, natural gas, iron ore and forest products, our production and trade in basic resource commodities has become more diversified. In addition, our processing of these commodities before shipment has steadily increased. Nevertheless, the scope for continued national economic growth solely through production and trade in primary materials is definitely limited. Furthermore, total employment continues to decline in many of the primary industry sectors. This means that there will be a continuing decline in the total population in the rural areas of our country, with a consequent explosion in urban growth. If we expect to maintain adequate opportunities for jobs and income for a rapidly expanding population, our production and export base must be broadened, and this can best be done through the expansion of an efficient secondary industry producing for world markets.

To achieve this objective will require not only a substantial increase in capital investment but a significant advance in the technological capability of Canadian industry. In this connection, it is my view that technical superiority in our manufactured products offers the best way to ensure competitiveness and to develop new markets both at home and abroad.