

In the first meaning of the word, I think we in Canada can claim that we currently have two booms in one, and in my remarks I will attempt to describe how this situation has come about.

There are two kinds of economic growth: (1) the opening up of new primary sources of wealth, agricultural or mineral; and (2) the development of secondary sources of wealth through manufacturing industries. Canada is a primary-producing country that has long been turning increasingly to industrialization. Usually, this marks the end, at least for a time, of any active, large-scale expansion in primary products. By the time a country's industries reach an advanced stage, its accessible primary resources are usually well-known and in fairly full use. But in Canada since 1939, a rapid industrial expansion has coincided with the discovery of new and very rich primary resources of oil, power, and above all, metals.

Thus, two kinds of economic growth - the two booms - are at work together. We were at the beginning of a new industrial era before the outbreak of war in Korea, with its requirements for defence preparations. Capital expenditures were running at high levels, and have been continually rising - the estimated figure for the current year being \$5,600 million in comparison with \$5,100 million for 1952. Korea called for certain changes of direction to give priority to the production of war essentials, but did not change the pattern of over-all industrial expansion. The pace of the two booms would be remarkable in either alone; in the two combined it is both exciting and impressive to us in Canada.

It is, of course, the geographical and the physical make-up of Canada that make the combination possible. For most practical purposes, pre-1939 Canada was a long, narrow strip of territory beside the northern border of the United States, a strip 6,400 kms. long and in most places little more than 300 kms. wide. The foundations of its economy were in the main its wheat lands, its cattle, its forests, its fisheries and its game, as well as some important mines.

In general, at that time, the land to the north was largely undeveloped, broken by nothing but the fur-trading posts of the Hudson's Bay Company and the occasional mine. The means to conquer what has often been referred to as the Frozen North, came between the wars, with the development of the use of the aeroplane for other than war purposes; the incentive began with World War I and was further accentuated by the necessity born of World War II.

The venture has been going forward steadily for a long period, but has gained momentum and confidence to an astounding degree in the last decade. After a long pause, the economic frontier of North America is again being pushed northwards. For the first time in a quarter of a century, approximately 1000 miles of railways are being constructed into new territory; experienced railroad construction engineers had to be sought for and brought out of retirement. It is now reasonable to say that Northern Canada is beginning to assume the same importance to our growth that Western Canada did eighty years ago.