

I need not remind bankers of the importance to prosperity of a high level of investment, which includes all capital expenditures by business, individuals, institutions and governments. It is indicative of the resources and industrial development the country is undertaking. Agricultural development, in the first decade of this century, was of great importance to prosperity. In more recent years, the development of Canadian minerals and of waterpower, in addition to the development of all our other natural resources, has done much to stimulate economic activity.

Beyond this, Canadian industrial capacity in the processing, refining and fabricating stages has been expanded tremendously in the post-war period. Our total investment programme in 1952, including outlays for defence installations, the development of strategic resources and all other purposes combined, is expected to reach \$5.2 billion. Allowing for higher costs, this represents an increase of 8 per cent over the record volume of 1951.

Increased industrial capacity in Canada has meant not only the turning out of more goods in absolute terms, but also the production of more goods with less labour per unit of output. And as the productivity of this nation has increased, its real standard of living has risen. Further, our rising productivity has enabled us to expand our defence efforts without significantly affecting civilian standards of living.

A high level of investment also reflects the capacity of the economy to absorb the savings of citizens and to translate them into useful and productive assets. Investment enables businessmen to expand their capital facilities by using not only their own savings but also those of others. Right here in Windsor, we have a striking example of the confidence businessmen place in the future of Canada and this community in the vigorous expansion now taking place in the operations of the automotive industry's "Big Three" -- Chrysler, Ford and General Motors.

For instance, Ford of Canada is embarked on an expansion programme involving \$65,000,000 -- half of which will be spent in the Windsor area to provide the largest automotive engine plant in the country, as well as valuable additions to the company's powerhouse, foundry and machine shop.

As with trade, there are ample and telling reasons why Canada's prosperity has always been closely linked with high levels of investment. And here let me say that, in Canada's development, the engineers, the railway builders, the businessmen and the industrial and agricultural workers have not been our only pioneers. Mention should be made also of the bankers who have had the vision to see the value in great and ambitious schemes for the development of the nation.

THE IMPORTANCE OF SOUND FISCAL POLICIES

All the benefits of a bumper trade and a high level of investment can be cancelled out if the government of a nation pursues unwise fiscal policies that restrict enterprise, curb initiative or undermine the stability of the economy. Since this is not a political speech I have