

Development of Labrador's great Churchill Falls is within sight. These are only some of the pace-makers in a widespread and varied development of Canadian resources and energy. The world knows what we have done and are doing. I wish more Canadians were aware and shared my pride in what is being accomplished.

These developments represent sound and successful investment by private and public contribution to the Canadian economy. The resource industries, along with their related processing facilities, provide nearly 15 per cent of our total national product and about a quarter of the output of goods - this without counting agriculture and fishing, two of our great basic industries. The influence of resources and energy is even more prominent in our exports.

INVESTMENT IN NEW RESOURCES

Sales of wheat and secondary products have been breaking records in recent years, and this is very welcome. But it should be remembered that 55 per cent of all merchandise exports continue to be derived from products based on our forest, mineral and water resources. Their importance in the near future is indicated by the \$2.5-billion investment in new resource facilities in 1965. This is a third of all business-capital outlays and a half of all investment in commodity industries. It is little wonder that international corporations are sharing in this huge constructive effort. Its magnitude indicates why foreign capital is needed while this sector illustrates, at the same time, how well outside capital can be obtained, and combined with Canadian, without surrendering ownership and enterprise.

The role of resources and energy in our economy is further enhanced by the growing diversity of products and the evolution and impact of the resource-based industries. Every year, a new commodity joins the array or an old staple takes on a substantially new form, location or market. In some quarters there has been undue concern about the risks in resource development, the vulnerability of commodity markets. They point to the dilemmas of many developing or partially developed countries, dependent on one, two or possibly a half dozen basic commodities. Everyone involved in resource projects is aware of the risks - natural, technical and commercial - which must be taken in individual enterprises. But the Canadian economy, and nowadays most corporations, are not dependent on one or two commodities. Canada produces and exports on a major scale a score of materials, apart from our valuable agricultural and fishery products. Indeed it might be simpler to say we are producing, or will soon develop, all commodities except those of the tropics.

BALANCED GROWTH

There is more to this than spreading the risk. This diversity of output permits a balanced growth - a flexible use of raw materials, whether wood, minerals or water, and a steady effective deployment of manpower and capital. When we look over longer periods, we see how the development of one commodity leads

to another, at Trail from silver to lead and zinc to fertilizers and steel, at Sudbury from copper to nickel, then gold and the platinum metals, cobalt, iron and sulphur - from lumber to newsprint to kraft pulp and plywood in many forest areas, from oil to gas to sulphur and petrochemicals in the West. Railways built to minerals have encouraged forest production; pulp-mills or metal refineries have stimulated the development of power, which, in turn, has facilitated new developments. Established operations are the base for further prospecting and often discovery, as witnessed in the big Timmins copper find. In short, the diversity and the mutuality of Canadian resource development has smoothed out the short-term disturbances and provided a powerful momentum for long-term growth.

ROLE OF TRANSPORTATION

Resources and energy have not only played a decisive role as a distinct group of industries but their development has also stimulated and strengthened other major sectors of the economy. Transportation has already been mentioned, since it is inextricably involved in the development and distribution of our resources. The waterways from the voyageur's canoe and the squared-timber raft to the St. Lawrence Seaway, the railways from the first eastern lumber tracks to the Pine Point and Quebec-Labrador ore lines, the bush pilots serving prospectors, the mine and forest access roads, the oil and gas pipe-lines, the widening electric transmission grids - these are the vital links between resource areas and transport commodities to market centres.

PACE OF RESOURCE DEVELOPMENT

For many engineers, "resources" are synonymous with engineering construction. Indeed, the construction industry in Canada is heavily committed to the creation and installation of the large complex systems which nowadays extract, process and distribute resource materials and energy. Canadian contractors have also been busy building houses, manufacturing plants, commercial and social facilities, all of which are needed in increasing volume. But it is the pace of resource development which, to an important degree, sets the tone of the construction sector. Further, it is in resource specialities such as hydro-plants, pulp-mills and mineral operations that Canadian contractors and consultants have made their biggest impact abroad. I wish to commend the large number of consulting engineers who are carrying the Canadian flag and Canadian engineering skills to the nations of the world.

In the secondary manufacturing industries, the reflection of the natural-resource profile can also be seen. This is particularly true of the development of Canada's capital-goods industry, which now produces well over \$1-billion worth annually, not including transportation equipment. It is estimated that about half of this output of capital goods results from the stimulus given by primary-industry demands. Outstanding examples are power-generating equipment, with output valued at \$80 million in 1962, and machinery for the forest-based industries, and for mining, each valued in excess of \$50 million in