

Dramatic evidence of all this expansion is seen in the fact that we are now producing twice as many radios, three times as many automobiles, and five times as many refrigerators, as before the war. Besides this increased output of standard products, Canadian industry is now turning out in quantities a variety of products that were either unheard of before the war or else imported from other countries.

Now how is this investment programme being financed? Certainly foreign capital particularly from the United States, has flowed into this country in considerable volume. This, in itself, reflects the confidence investors from other countries have in our future. A leading financier from the United Kingdom puts it this way:

"If you're responsible for a trust for young children, put as much of the fund in a well-spread portfolio of Canadian securities as you like. By the time the children are 21, you won't regret it."

But foreign investment in Canada must be balanced against the very substantial amounts being invested by Canadians themselves. I am afraid it is not generally realized that, in the last seven years, our own people have provided an amount of savings at least equal to the total cost of our post-war industrial development. When account is taken of Canadian investment abroad, which has matched dollar for dollar the inflow of foreign capital to this country, it becomes evident that, on balance, Canada is financing its own growth.

It should be remembered that our greatly increased industrial capacity 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. As the productivity of this nation has increased, its real standard of living has gone up. Moreover, this rising productivity has enabled us to expand our defence effort without significantly affecting civilian standards of living.

Investing in National Security

Mention of the defence effort now brings met to the second aspect of our investment programme -- the investment we are making in national security.

It is a melancholy thought that today, at the highest point in our development, we must once again reckon with the possibility of war and all that it would cost in human suffering and economic waste. We recognize that we are living in an uncertain world and that we can have no prosperity and no personal security without national security. That is why forty-five cents out of every dollar now spent by the Federal Government must be devoted to the needs of defence and defence production.

But our security is to be found, not in defence preparations alone, but in our steadfast efforts to work out around the conference table a satisfactory formula for lasting peace. We have sought peace, so far without success, in the United Nations. We have sought and found security in the formidable fellowship of the North Atlantic nations.

The great question of the moment is whether the climate of the years ahead will be "set fair" for progress or whether they will be "stormy" with hunger, hatred and fear. The forgotten men of the past half century -- the millions who have known so little of freedom and so much of privation and poverty --