

Last year, 1955, capital expenditure in Canada reached the figure of \$6.2 billions. The estimate for 1956 is the unprecedented figure of \$7½ billions, or 23½ per cent of our gross national production. The rate of increase of new investment in industry is higher in Canada than in most other countries, including the United States.

For several years now, our savings have not equalled our investment, even though the proportion of such savings in relation to our Gross National Product has been also greater than in the United States.

The deficiency has been made up by an inflow of capital from abroad, largely from across the border. In 1955 this amounted to over \$600 millions, but our total capital investment, it should not be forgotten, was over six billions. Unless we wish to slow down or alter the pattern of our development; or unless we save and invest more ourselves, especially in speculative developments - as I hope we will do - this capital investment by our neighbour - far from being unnecessary and dangerous - is of essential importance.

Do these American investments mean that we are going to lose our national identity; to become - as it has been said - a "banana republic"?

I have too high an opinion of the sturdy patriotism and the national pride of my fellow-Canadians to admit that any attempt by the United States to secure control of or unduly influence our economic or political destiny by its investments in Canada could possibly be successful. We are not the kind of people to accept pressure of that kind.

But I have also far too high an opinion of the common sense and the genuine goodwill of our neighbour to the south to believe that they would ever make such an attempt.

Let us be neither defeatist nor demagogic in these matters. When the growing need in the free world is for close co-operation, for mutual trust, for standing together, this is no time for political or economic jingoism.

Perhaps pleas to preserve our independence are based on fears, genuine or self-induced, that we are losing control of our natural resources to American interests; that we are becoming, as the current phrase puts it, "hewers of wood and drawers of water", as well as - and this is a more original expression - "diggers of