

But the most significant feature of our present prosperity is that it is based on the sound foundation of a stable and well-balanced economy. The Wall Street Journal, in discussing Canada's record expansion, referred to this country as a nation "where a soundly developing economy and sound fiscal and monetary policies are coincident".

That our prosperity is solidly based is best illustrated by the fact that -- at a time when most nations are borrowing on the future -- Canada is living within its income, both at home and abroad. This is made clear by our balanced budget and the strength of our dollar in the markets of the world. How else could we have reduced our national debt by \$2½ billions in the past seven years?

#### Canada's Three-sided Investment Programme.

At the outset of my remarks I used the word "investment". What does this word mean? It is the courage and foresight to spend today in order to make sure of tomorrow.

Now, most of us usually think of investment purely in terms of the maintenance and expansion of our physical capacity to produce raw or finished goods. But there are really three dimensions to think of if we want Canadians to be prosperous and secure in a happy land: we must invest in our national security, in our resources and industry -- and in the health and well-being of our people.

The strength of the Canadian system lies in the balance of defence effort, business enterprise and the essential needs of the citizen. No country that fails to invest can prosper; no country that puts property above human personality can find prosperity at home or security abroad.

#### Investing in our Physical Growth

A group such as this, composed of Canadian businessmen, knows, of course, the importance of investing in the development of our natural resources and in the expansion of our industrial capacity. Today, in Canada, investment activity of this kind is at a record level. Our new capital investment last year reached something like \$5.2 billions -- nearly one-quarter of our gross national product.

Much of this capital investment is being channelled into the expansion of our basic industries and the development of the natural resources on which industrial development and economic growth so largely depend. The whole country is alerted to new developments. The Kitimat aluminum project in British Columbia, oil in Alberta, the Quebec-Labrador iron ore development, and the recent multiple metal finds in New Brunswick, are striking examples of resources development of a long-range character.

However, these basic developments that are so strengthening the foundations of our economy should not obscure the diversified growth in our secondary manufacturing industries which they are helping to make possible. It is, I think, significant that, of the \$25 billions in new capital investment since the end of the war, no less than \$5 billions have been spent on new plants, machinery and equipment in the Canadian manufacturing industry.

As a result, the value of our manufacturing output has more than doubled since the end of the war. In communities all across the country, some 7,000 brand new industries are now providing employment for upwards of a quarter million Canadians.