

MR. ST. LAURENT ADDRESSES BUILDERS: The following is the partial text of the address delivered by the Prime Minister, Mr. St. Laurent, before The Canadian Construction Association, in Montreal, on January 16:

"...In extending the frontiers of development, we have uncovered a wealth of new resources. This nation is endowed with greater potential wealth per capita than any other people. Much of that wealth - and I believe most of it - remains to be developed. And development means construction and still more construction. That is why I believe construction will long remain the watchword of the Canadian nation.

"I also believe - and I am convinced that the majority of Canadians also believe - we can best develop our resources and build up our national economy by giving the widest possible scope to private endeavour. I am more convinced than ever that the skill, ingenuity and foresight of Canadians as individuals will bring the most rapid and the most effective development of this country.

"But I do not believe that private endeavour and action by Government are naturally opposed to each other. In all our great periods of development there has been close co-operation - sometimes almost a partnership - between private endeavour and public enterprise....

#### RESPONSIBILITY OF GOVERNMENTS

"We do not want to see the greater part of construction undertaken by Governments. Of course we know Governments today have much more to do than maintain law and order and build a few roads and breakwaters.

"We must try to direct all our economic policies in such a way as to create conditions in which businessmen, builders, contractors, workers, in fact all our people are encouraged to make their most useful contribution to the activity of the whole community....

"Activity in the construction industry is still as buoyant as it has been since the end of the war, but it may be that we will shortly be moving into a new phase in which demand will not be quite so insistent.

"That may not be altogether a bad thing. I am sure that many of you must have felt in recent years that a period of consolidation would have to come; that the spiral of increasing costs could not continue; and that, in the long run, everyone in the community, including your own industry, would benefit by the return of some pressure for higher productivity and somewhat lower construction costs.

"In looking to the future everyone counts upon the construction industry to do its full part in maintaining a high level of employment throughout the country. But it would be wrong to assume that the construction industry alone can be an adequate instrument to stabilize the whole economy.

"I don't believe the industry itself would want us to try to meet all employment problems

with additional construction programmes. If we tried that policy, the result would be great swings in construction activity.

"What we should try to do is to pursue public construction policies which will keep the industry reasonably stable and maintain a high level of employment in construction.

"On the other hand there is no question that the maintenance of a high level of construction will greatly help to keep up the general level of employment.

"As you know, even before the recent war concluded, the present administration adopted as a primary object of policy the maintenance of a high and stable level of employment and income throughout the Canadian economy. This aim remains a primary object of our Government's policy....

"In general terms, the level of employment and income depends upon the level of our export trade, upon the demand at home for consumer goods, upon private investment in capital goods, and only to a limited degree upon public investment and Government construction....

"The prospects for private construction in 1950 are bright; but we intend to go on maintaining a backlog of postponable public projects to be available as a "floor" whenever it may be required...."

CANADA'S AIR ROLE: The following is the partial text of a review of 1949 RCAF activities by Air Marshall W.A. Curtis, Chief of Staff of the RCAF, which was mailed to reserve, retired, and former members of the RCAF:

"...The last year marked a turning point in the postwar progress of the RCAF. For the first time we were able seriously to turn our attention to building up the operational element of the Force. This was possible only because of the emphasis placed on building a supporting framework immediately following the war.

"Our original concept was of a Force to consist primarily of a nucleus body, able to expand rapidly in event of war. We now see, in the light of the changing world situation, that we must go farther than that. The nucleus concept still holds good so far as mobilization to full wartime strength is concerned, but in addition the RCAF must be brought to the point where it is able to bring into immediate action those forces required for the initial defence of Canada. The Service is being brought to this state....

"The training programme is well established and recruiting is being intensified. Strength at the beginning of the year was 13,832. At the time I am writing this it stands at approximately 16,600, a satisfactory step towards reaching our presently approved establishment of 18,278. Construction of married quarters has come along well. This past year found us able to turn our attentions to setting up the operational side of the Service.