

MACDONALD BIRTHDAY CELEBRATED

Mr. George McIlraith, President of the Privy Council, announced recently on behalf of the Prime Minister that the Federal Government, on the occasion of the 150th anniversary of the birth of Canada's first Prime Minister, Sir John A. Macdonald, would contribute approximately \$100,000 to reconstruct the portico of the City Hall at Kingston, Ontario. The limestone-columned porch was demolished in 1958 after being condemned as unsafe. It will be reconstructed under the guidance of the Historic Sites Division of the Department of Northern Affairs and National Resources.

SHORT-LIVED GLORY

In 1841, Kingston became the capital of the province of Canada (which consisted of Upper and Lower Canada), and the town hall was designed as the seat of government. But the capital was, however, moved to Montreal in 1843 before the building was completed. George Browne, a prominent Canadian architect of the time, designed it as a market building as well as a town hall, housing a post office, customs office, library, business and professional offices, and a saloon. Built in the neo-classical style popular at the time, the edifice was regarded as one of the finest municipal buildings of nineteenth-century Canada. Kingston's municipal offices have since expanded to occupy the whole building.

The portico, of local limestone, was 63 feet wide with four finely-turned columns 27 feet high supporting the carved overhead portion.

The body of Sir John A. Macdonald lay in state in the City Hall after his death in 1891. In June 1843, he had attended the cornerstone-laying ceremony as a Kingston alderman.

On January 11, Mr. McIlraith represented Prime Minister Pearson at a banquet commemorating the 150th anniversary of Sir John's birthday. The Honourable E.J. Benson, Minister of National Revenue, also represented the Federal Government on this occasion. Joint sponsors of the banquet were the Federal and Ontario Governments, Canada's Centennial Commission, the Kingston Historical Society and the City of Kingston.

CIVIL AVIATION

Canadian air carriers transported 3.0 percent more revenue passengers and 6.1 percent more revenue goods in 1963 than in the preceding year. The year's count of passengers was 5,427,344, compared to 5,268,799, while revenue goods weighed 125,529 tons as against 118,289. Revenue hours flown showed a slight increase, to 630,573 from 626,302, and revenue miles were up 30.3 per cent, to 102,564,907.

Both operating revenues and expenses of Canadian carriers reached new peaks in 1963. Revenues increased 8.5 per cent, to \$308,835,913, while expenses rose 6.1 per cent, to \$294,142,170. As a result, an operating increase of \$14,693,743 was reported. After deductions for income taxes and

other charges, there was a net income of \$1,390,060, compared to a deficit of \$4,597,327 for 1962.

Companies operating helicopters only reported an operating income of \$427,083, and a net income after provision for income taxes and other charges of \$518,473 in 1963, compared to an operating income of \$369,507 and a net income of \$283,401 in 1962.

A NEW YEAR'S LOOK AT CANADA'S FINANCIAL STATE (Continued from P. 2)

We are also an internationally-oriented economy, which responds — if we remain efficient and capable of responding — to the economic expansion of our trading partners. Fortunately, most of our principal trading partners, including the United States, have been showing considerable economic expansion in recent years. We must also recognize that the failure of grain harvests in Eastern Europe in 1962 and 1963, which gave rise to such massive purchases of Western grain from Canada, has been a great stimulus — albeit a temporary one — to the economy as a whole.

ROLE OF GOVERNMENT

The Government's role — through its financial and economic policies — has been to set the scene so that private individuals and businesses can direct their efforts with the best chance of success. I believe we can draw encouragement from the fact that the overall performance of the Canadian economy during the last year, specifically the expansion from the third quarter of 1963 to the third quarter in 1964, has been appreciably better than that of the United States. For example, over this period, the gross national product in the United States rose by 7.0 per cent; in Canada, it rose by 8.5 per cent. Non-farm employment in the United States in November was 2.6 percent higher than it had been a year earlier; in Canada, 3.9 percent. I would not want to promise that economic expansion in Canada will continue to run ahead of the United States, but the record is encouraging.

I mentioned the importance we attributed in 1963 to maintaining confidence in the soundness of the economic and financial climate. And I mentioned the importance of moving in the direction of a balanced budget under conditions of high levels of employment. To some extent these objectives were complementary.

Experience on both counts has been satisfactory. The Canadian dollar has been stable and our reserves of gold and foreign exchange well maintained. And this despite the fact that the spreads between interest rates in Canada and the United States have been narrowing in the past two years.

SMALLER BUDGET DEFICIT

Because of the improvement in economic conditions and the resulting buoyancy of government revenues, it is clear that the budget deficit for the current

(Over)