increased unemployment. It is essential, however, if we are to accomplish our objectives and check the inflationary rise in prices before it does lasting damage to our economy. This limitation on our spending is also essential, too, if we are to limit our demands on the capital market to amounts we can expect to get without the use of inflationary methods that would help to increase prices further.

The moderation of the demands of Canadian governments upon the capital markets will be highly desirable for some time to come because of the other urgent needs for capital investment in Canada to be expected during the late Sixties and early Seventies. Because of our dispersed geography, our affluent society and our capital-intensive industry, we are a country that normally uses a large volume of capital. In the period now confronting us, our needs for capital -- and our opportunities for using it productively -- will continue to be abnormally high because of the delayed consequences of the great baby boom that Canada experienced just after the Second World War.

Between 1965 and 1970, we expect the numbers of our young people in the important 20- to 24-year-old age group to increase by 33 per cent. In the following five years we expect this age group to grow by a further 15 per cent. Our university enrolment is increasing by leaps and bounds. Our labour force is growing by more than 3 per cent a year -- a rate that far exceeds that of other industrialized countries and is half as large again as that of the U.S.A. A continued high rate of growth in the labour force can be expected for many years.

This rapidly growing number of young adults -- better educated and trained than their predecessors -- will want homes and schools and the other capital requirements of modern living, and they should be earning enough to pay the costs of such facilities. But larger capital investments will be required to make this possible. Similarly, the growing labour force will be able to build and operate a rapidly growing Canadian economy -- primary industries -- manufacturing industries -- and services. We shall have the manpower, the resources and the markets for this great expansion, but we shall need vast quantities of business capital to finance it. We shall need the institutions and the policies to enable savings to be generated and channelled effectively into the many investments required. There seems likely to be no shortage of opportunities for good investment and the good jobs and incomes which they will make possible, if we manage our affairs efficiently. We in Canada won't lack things to do.

Our overall rate of savings in Canada is high -- among the highest of all countries in the Western world. Last year it was estimated that total Canadian savings amounted to nearly $12 billion, of which almost $3.5 billion were personal savings in one form or another and $8 billion were gross business savings, including capital cost allowances, which we permit under our tax laws at a high rate compared to other countries. These domestic savings amounted to 90 per cent of capital investment, including inventories in Canada during that year. However, so large was our investment programme that we had to have a net