



STATEMENTS AND SPEECHES

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No. 55/15 SOME POSSIBLE FEATURES OF ECONOMIC
GROWTH AND INVESTMENT IN CANADA,
1955-1975

Remarks by Mr. J.E. Coyne, Governor of the Bank of Canada, at the Annual Meeting of The Dominion Mortgage and Investment Association, held at Montreal, May 5, 1955.

It is a great pleasure to have been given the opportunity today to meet with your members, representatives of the investment side of the life insurance companies, trust companies and loan companies of Canada.

As a central banker, I am more directly concerned with the securities of the national government than the other forms of investment in which you are interested. But central banks and investment institutions have a wider field of common interest. The objectives of monetary policy relate to the effective functioning of the economy as a whole. To carry out these objectives, it is necessary to study and keep in touch with the general level of activity in the economy, its structure and development, and particularly with aspects of economic growth and change. These same factors provide the environment in which your investment decisions have to be made. And besides such common interests, we have a reciprocal interest, for the activities of the central bank in the monetary sphere will directly or indirectly have a bearing on your investment activities, and these in turn will have an influence upon monetary policy, both in conception and in detailed operation.

The title originally given to my remarks this evening -- "Investment in 1975" -- may have been somewhat misleading. If it suggested that I know what your investment problems will be in 1975, it promised more than I can deliver. My subject could be better described as a review of some possible features of economic growth in Canada, with a speculative eye turned on potential growth over the next twenty years.

The Minister of Finance in his budget speech announced that the Government is going to appoint a Royal Commission to study the problems of the future economic development of Canada. The Commission will no doubt cover a very broad field, and look far into the future. I have no wish to trespass on their territory, and will do little more than touch on a few broad aspects in the course of this after-dinner speech. I come armed with more questions than answers, and am confident only of one thing, that the future, even the relatively near future of 1975, will turn out to be in many ways quite