

expanding and hiring. There is no other way. Governments cannot hire everyone -- or at least not for long.

Public-sector deficits do not produce durable jobs -- but they do have costs as we are all now beginning to understand. Attempts to balance the budget and control inflation were not undertaken because of some misguided need for tidiness. We did it, and do it, to get the climate right for full employment. But this alone is not enough. As C.D. Howe noted in 1946, "government at its best can only provide the good climate for economic growth. The growth itself depends on the efficiency of labour and management and their willingness to work together for higher standards of living, and on their mutual determination to give value for costs."

I have set out the course that I believe we must steer to achieve prosperity. With great effort we have put the ship on that heading. The challenge now is to resist the temptation to coast. The challenge is to work together to maintain momentum.

Perhaps I could leave you with some of C.D. Howe's thoughts on the aim of government policies that I think are as fresh and relevant today as they were when he first uttered them in May 1948.

The times in which we are living call for initiative and resourcefulness .... We must be constantly alive to the changes taking place in the world and quick to seize every opportunity that will build up our economy .... It cannot be done overnight but I am confident that, with the co-operation of industry, of government and of [other] organizations ... we can build toward a better Canada and a better world.

This is a formula that helped us to enjoy prosperity in the past. Like most Canadians, I know it can do so again.

Thank you.