

great skill, often skill in planning and supervising a production process, has had the enterprise to work out a new or expanded project which he was sure he could make a success of. He has had the courage to commit to the venture all the money he had or could raise elsewhere but it was not enough and he has applied for additional financing to the Industrial Development Bank. After investigation the Bank has concluded that the project was sound, that the management was capable and that the additional financing required was not excessive, and so it has made a loan, a loan which in many cases was no more than twenty or thirty thousand dollars. Often the Bank has been able to give the borrowers some non-financial assistance, as for example some useful engineering advice, or some help in setting up a proper system of costing, or some leads on where he ought to look for his market. Sometimes years have gone by before, out of the uncertainty, there has emerged a successful operation, small but well-managed, prosperous and with a bright future. We have, I repeat, seen something like this happen many many times, and if you believe, as I do, that the successful evolution of new enterprises is the very stuff of sound economic growth, you will understand my satisfaction over the experience of the Industrial Development Bank.

If I may turn now to more general considerations I should like to say that one of the things that has impressed me in my years of central banking has been the extraordinary number and variety of things that the central bank must know as much as possible about if it is to do its job capably. We must of course be fully informed about the state of affairs in financial markets, not only in Canada but also in the countries with which we have close relations. But this is really only the beginning, for what happens in the financial world both here and abroad is closely inter-connected with what is going on in the non-financial world, the world that people who I suspect do not think too highly of bankers often call 'the real world'. If this were not the case there would be little point in central banking for no matter how you choose to put it the real job of a central bank is to do what it can to ensure that the banking system, and for that matter the entire financial community, operates in a manner best calculated to produce an efficient and healthy economy and sound economic growth. We therefore find ourselves interested in the whole state of the Canadian economy and, especially where things are not going too well, that interest is often quite detailed. But even more than this, because of the exposed nature of the Canadian economy, and because of our heavy dependence on exports, we have to follow quite closely the trend of economic events in those countries which are our principal markets and in the general trade and payments situation.

Trying to keep informed on all these matters is of course quite a job and this is why we have, right from the beginning, kept quite a few people busy on this part of our work. In respect of developments abroad we receive enormous assistance from the contacts which we have developed over the years with other central banks, whose interests in this respect are very similar to our own. But we have also developed very useful connections with a wide range of organizations, national and international, government and private, financial and non-financial, at home and abroad, through which we are continually informed and to whom we turn for more detailed information when the occasion requires.