

same source, the percentage of unemployed has been lower than last year for the fifth month in succession. Obviously, there is still some work to be done. Unemployment is not a purely local plague. It is an evil which visits almost every nation. Our southern neighbours themselves have fallen victim to it and, at times, suffer from unemployment to a much higher degree than we do.

The stimulation given to municipal winter works has made it possible for our cities and towns to undertake programs which have considerably improved the situation, and the Government's intention to offer municipalities the means of increasing their winter work certainly deserves commendation on the part of everyone.

In the report of the Special Senate Committee on Manpower and Employment, of which I had the honour to be chairman, we read the following in the conclusions and recommendations, and I quote:

In the field of domestic economy, we must mainly concentrate on secondary manufacturing industries and on those which need capital investments. It is essential that there be increased expansion in those two fields.

Further we read:

Our secondary manufacturing industries must be encouraged to resort to the latest technical improvements, to apply the newest methods in proportion to their accelerated growth, and also to specialize in profitable fields and attain a production rate which will enable them to compete at home as well as abroad.

That is the best way to maintain a high standard of living, to achieve a reasonable rate of growth and to rank with the giants of industry who surround us.

No doubt the Government wants to follow up those recommendations and urges us to encourage the Canadian industry to engage in research in scientific fields, through which it can improve and intensify its production.

Talking about production, may I say that although the economic activity increases throughout the whole world, Canada is in a privileged position. The pace of its economic expansion has considerably quickened during the calendar year just ended. We all agree that industrial production has reached new records. An upsurge of activity in Canadian industries has brought about an increase in employment and revenues, the trade people have begun to build up their inventories;

a great volume of mortgage funds has contributed to intensify the housing activity; our exports have risen more rapidly than our imports, resulting in a new improvement of our trade balance in commodities. Everything points out to a trade surplus for 1961 following the deficits of \$97 million in 1960, \$369 million in 1959 and \$713 million in 1956; guaranteed bank loans for small enterprises, the expanded field of activity of the Industrial Development Bank have contributed to the betterment of trade in general, and certain measures mentioned in the Speech from the Throne will contribute to achieve greater progress and a greater stability in every field.

There is no question that our businessmen are now more confident and that there is every reason to foresee generally an increase in production and sales.

Personally, I need no other proof than the advertising by the industries of the St. Maurice river region and the considerable development which no one can fail to note in the city of Montreal. In fact, very recently, the president of one of our most important paper companies in the area, the St. Lawrence Paper Corporation, announced a \$5 million extension to its Three Rivers plant. They so decided so that they could produce a new type of paper which would be used for important de luxe publications. The president of the Canadian International Paper informs us that this company will invest, in 1962, more than \$13 million in its plants and forestry divisions. This figure includes a capital investment of more than \$6 million in its six main pulp and paper plants, of which those of Three Rivers and La Tuque are the two most important. The Three Rivers harbour is increasing its operations from year to year. In Montreal, in the development of what is now known as Dorchester Boulevard, there are springing up, one after another, skyscrapers such as we have never seen in Canada, reflecting the confidence our banking institutions and industrialists have in Canada, particularly in its metropolis.

In the last few years, Montreal has made considerable progress and its population is spreading from day to day, both northward and on the south shore of the St. Lawrence, facing Montreal. New municipalities have sprung up, and each one of them is expanding from day to day. The Government, which is keeping constantly abreast of the economic situation of the whole population, has deemed it its duty to contribute to the progress of the south shore municipalities. In the Speech from the Throne, it is announcing that discussions