



STATEMENTS AND SPEECHES

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WHAT MAKES CANADA TICK?

An address by Mr. Donald Gordon, Deputy Governor, Bank of Canada, in Montreal, February 17, 1949, at the annual dinner of the Junior Investment Dealers' Association of Canada.

When your Secretary extended to me last November an invitation to attend the Annual dinner of the Junior Investment Dealers' Association of Canada I made some enquiries as to what the group represented because, I must confess, I had not at that time heard of its existence. I then discovered that your Association had been formed in January of 1948 and that this is, in effect, your first Annual dinner. That, of course, was sufficient reason for me to accept your kind invitation. For the truth of it is that I like innovations and the ploughing of new furrows, which probably explains why most of my adult business experience has been gained in organizations which were new at the time I became associated with them. So it is that I am glad to be with you on this your first Annual Meeting and to congratulate you on the young, healthy and, may I say, confident spirit expressed in your Secretary's letter of invitation to me in which he solemnly assured me that - and I quote - 'this group represents the future of the Investment business in Montreal'.

You will readily understand why with that confident prediction before me I have been obliged to prepare my remarks with more than usual care.

And I may as well say that I intend to touch upon one or two things which involve questions of the future rather than of the past or the present. In doing so, however, I would like to make first a short review of a more general character so that we may have before us some of the highlights of the Canadian economy, if not, indeed, the highlights of the economic system as it operates in the modern democratic state. I shall not attempt to do more than mention the main factors which affect the level of economic activity nor shall I attempt to propound economic problems and then venture solutions for them. My purpose is merely to direct the thoughts of this group of young men to the workings of the system and leave it to individuals how far each may wish to pursue particular points.

The principal subject with which I propose to deal this evening is the level of economic activity in this country and what determines it: in other words, what makes Canada tick. Now, this is obviously a broad and intricate subject and all that I can hope to do is to give you some impression of those factors which I believe to be of key importance and which I believe you will find it worthwhile to watch.

The immediate reason behind any type of economic activity is obviously, demand for the final product and I shall trace the sources of demand for some of the more important groups of things which we produce in this country. This done, it is appropriate to examine the financing of this demand and to study its variability and effect on total employment.

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