

UNEXCELLED FUTURE FOR CANADA

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tially relaxed. From a Treasury Bill rate of 3.88 per cent in June 1957 it dropped to a low of 1.58 per cent on April 17 of this year. I think few Canadians will weep at the bier of tight money.

"We have inaugurated a public works programme. In the current year, expenditures of this type will total over one billion dollars. In this connection you will note that our emphasis has been upon the creation of public facilities of lasting benefit. We have striven firmly to avoid enlarging expenditures of a current nature, because these have a way of becoming fixed annual charges.

"We have adopted a large number of important measures which are helping to sustain purchasing power. Among the measures which I have in mind are the tax reductions, the higher pensions for the aged and other groups, increased fiscal payments to the provinces, and extension of benefits under the Unemployment Insurance Act.

"Of course, I need hardly point out to this audience that, in a free society, sole dependence must not be placed upon the central Government. Even if the central Government were to succeed, unaided, in eliminating unemployment, the cure might well be worse than the disease. Our cost structure might move out of line with those of our competitors in external markets. When, as is sure to happen before too long, buoyancy returned to the world markets for forest products and base metals we would no longer be in a position to sell at competitive prices. If that were to happen, the very basis of our high living standards would have been undermined.

"Of course, no such dire things will be permitted to befall Canada. The provincial and municipal governments, industry and individuals may also be expected to shoulder their shares of the responsibility for combatting unemployment.

"All levels of government can seize the present opportunity to catch up on the backlogs of socially desirable projects which exist. Funds are now available to them at lower interest rates. In addition, Parliament has approved our programme of additional payments to the provinces which will amount to an estimated \$82 million this year, and from which the municipalities also will derive benefit.

"Business men can be of the utmost assistance by showing continuing confidence in the future of this land. This is an excellent time to plan and to build in order to meet the demands of tomorrow.

COMMONWEALTH CONFERENCE

"As part of its planning to meet the demands of the future the government has announced that on September 15 a Commonwealth Trade and Economic Conference will open in Montreal. It will be attended by representatives of the governments of all the nations of the Commonwealth and certain of the colonies as well. It will afford an opportunity for strengthening Canada's trade position and may well prove to be one of the most important conferences in Commonwealth history.

NEW BOND ISSUES

"I spoke of the importance of confidence. Let me now point to the most recent and gratifying example. Last week the federal Government completed the largest market borrowing operation in Canada's history in peacetime. A total of \$950 million was borrowed in four maturities of fourteen months, three, twelve and twenty years respectively. The issues were heavily over-subscribed and the books were closed almost immediately after they were opened. It is evident that Canadians have confidence in the nation's financial strength.

CONCLUSION

"I have heard it said that fear is usually the result of inadequate information. I have sought to place the stresses and strains of the past year in proper perspective and to state their root causes. Perhaps the most important conclusion that emerges is that the factors which caused a levelling out of economic activity in Canada are on the whole of a temporary nature, and most of them had their origins abroad.

"Last week in his annual report to the United Nations Economic and Social Council Mr. Eugene Black, the distinguished President of the International Bank, declared that the times through which the world is passing 'call for intelligent planning, hard work and thrift'. They do indeed for Canadians as much as for any other people in the world, if not more. Canada has an unexcelled future in store. Now is the time for us all to work, save, and plan for it."