

place in those countries. But I would stake my reputation that they have not surpassed the records established by Canada, where people make their own plans within the limits of the law.

These terms "free enterprise" and "competition" are hackneyed phrases. I use them at this time because I believe that they do describe pretty accurately the sort of conditions that have prevailed in Canada in recent years. I might express the point I have in mind in another way. The expansion of this country has not been directed by governments. It is not the result of subsidies or artificial stimulation. It is not of the "hot-house" variety, hiding behind new trade barriers, and unable to meet world competition. On the contrary, it is the result, in the main, of the efforts and investments of private individuals and companies who were prepared to work hard and to take risks.

This should not lead one to the conclusion, however, that the role of government has been unimportant during this period of unprecedented development. Indeed, the creation and maintenance under present-day conditions of an environment favourable to sound economic development within a free society is a problem of the greatest complexity. In many ways it is much more complex than that of running a regimented state.

All governments make mistakes and the Canadian Government is no exception. But I submit that on some of the main economic issues of our times the Government and Parliament of this country have taken the right decisions -- decisions which have had a determining effect on the development of the country. To illustrate, let me direct your attention to three important issues -- price control, fiscal and monetary policy, and trade policy.

First, the question of price control. The Canadian Government made an outstanding success of price control during the Second World War. When the War ended, however, the Government proceeded to remove the controls in an orderly fashion, until within a relatively short time they were all gone. The steady removal of controls took courage, for there were many who advocated their retention for an indefinite period. Looking back it can now be seen that the decision to remove controls when the War was over was a turning point. It clearly marked the course that Canada was prepared to follow -- towards a vigorous, flexible economy, and away from a bureaucratic economy.

About two years ago, the advisability of introducing price controls had again to be considered. If all-out war had come at that time, I have no doubt that price controls would have been put into effect without the slightest hesitation. But that kind of war did not come and, fortunately, the pressure for price controls was resisted. I can well remember how much was made of the fact that for a time prices in Canada rose somewhat more quickly than in the United States where price controls were reintroduced. Very little reference is now made to the fact that for the past several months the Canadian cost-of-living has declined sharply while the U.S. index is at its highest level. The two price lines have again crossed and the Canadian index is now about as low in comparison with the American index as it was in mid-1950, before wars and rumours of wars began to affect prices so violently. Current forecasts of the next monthly index indicate a further sharp drop in our cost-of-living.