

GENERAL

It is hardly necessary to point out that obligations, both public and private, undertaken when the general price level was much higher, present a serious problem under economic conditions presently prevailing. This is particularly true of Canada, in which within a comparatively short period, heavy obligations have been assumed for capital investments in plant, equipment and transportation facilities connected with the development of our natural resources and the expansion of the productive capacity of the country.

In so far as public debts are concerned, we believe that the most desirable course to be pursued lies in the direction of means that may be taken to cheapen money, and other measures, including international co-operation, designed to lay the foundation for a rise in the general price level and a restoration of world confidence and trade.

Within the country, the balancing of governmental budgets and the conversion of maturing debts at lower interest rates will be a constructive influence. Measures which will tend to relieve the burden of fixed public debts will of course also operate with similar effect in the field of private debts.

The Committee believes that the reduction in interest rates on bank deposits recently achieved with the co-operation of the government is a constructive step, and it is to be hoped, a forerunner of more important action which Canada may be enabled to take in the international sphere as a participant in the World Economic and Monetary Conference.

A printed copy of the evidence taken is tabled with this report.

(For Minutes of Proceedings, etc., accompanying said Report, see Appendix to the Journals, No. 2)