

harmonize their actions with ours in Ottawa. All of us value highly the opportunities our provinces and municipalities have had to borrow here in New York, and we wish to conduct our affairs in such ways as will merit a continuation of the confidence of your investors.

Our second problem in managing our prosperity - indeed our most serious problem in Canada, as no doubt it is here - is to avoid inflation while we are striving to maintain a steady growth. Our economies, our societies, have not yet learned to live with prosperity. Once we achieve a high level of production and employment, there is a well-nigh universal demand for too much too soon. At such times, many of the groups in our society have strong bargaining powers, which must be used with moderation if we are to avoid serious increases in costs, in prices, in public expenditures and taxes. This presents problems to all of us - business, labour, consumers and government. They are problems both in economics and in politics.

We in Canada are grappling seriously now with this central problem. It requires understanding and action on the part of many. We have been impressed with the degree of success which you in the United States have had in recent years in achieving prosperity without inflation. We aim to do as well, even though our problems and our methods may not be the same.

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