



CANADA

# STATEMENTS AND SPEECHES

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## POLICY FOR 1960

A Speech of Mr. Donald Fleming, Minister of Finance, to the Canadian Club of Toronto January 11, 1960.

... It is inevitable that at the commencement of a new year our thoughts are divided between retrospect and prospect. Today we stand at the threshold not only of a new year but of a new decade. We are prompted on that account to see both 1959 and 1960 in a larger setting. History is continuous. Neither the years nor the decades are detached from each other. This is not the occasion to attempt a review of the decade that has just closed. Indeed, there is no time today for that purpose. All of us will, however, look back on the fifties as a momentous decade in our lives and in the life of our country.

We have good reason to remember 1959 as an important year in Canada's history. When I addressed you a year ago we were concerned with the aftermath of recession, with the strength and pace of recovery, with something of an economic paradox, namely, the co-existence of an abnormal degree of unemployment and an inflationary potential which was giving rise to an exaggerated anxiety psychosis.

### Fears Unfounded

In retrospect, it is now apparent that many of the uncertainties and apprehensions of a year ago were unwarranted. The year just ended was one of vigorous and healthy growth for the Canadian economy. In 1958, recession gave way to recovery. In 1959, recovery yielded to the powerful forward thrust to expansion. The past year was not without its financial strains. High interest rates and credit stringency accompanied and reflected the extraordinary acceleration in business activity. Difficult decisions in the fields of fiscal and monetary policy had to be made in the cause of steady, rather than explosive and inflationary, progress. But 1959, I believe, stands on record as a year in which the dominant theme was one of expanding output and employment, with real gains in productivity and more price stability. In this pattern lies the foundation for achieving sound and sustainable economic growth in the future. In contrast to a year ago, our concern today is not with whether we will continue to grow, but with that kind of growth we wish and will have.