

successful. Eldorado Mining and Refining Limited, the Government-owned uranium producer, was authorized to proceed with the development of two most promising properties in the Beaver Lodge area of Saskatchewan. Development work in the mines is well under way and plans for a new refinery are on the drafting board. When this new mine comes into operation Canada will again become the second largest producer of uranium ore, and we can look forward with confidence to maintaining and improving that position.

Another decision of far-reaching importance taken in 1951 was to build a second atomic reactor, or pile, at our Chalk River Atomic Energy Establishment.

This decision was taken as a result of the extraordinary success which we have achieved in the first heavy-water pile. This unit has proven to be extremely useful as an experimental facility and has disclosed to the world the advantage of heavy-water reactors. It also has suggested innumerable and promising methods for the industrial utilization of atomic energy.

Our decision to build a new pile was also influenced very much by the belief that during 1951 the prospects for economical commercial atomic power have become brighter. The Canadian Government is resolved that we in this country should keep in the forefront of what may well become the greatest new technological development of the century.

I have outlined the dynamics of the Canadian economy in 1951 -- an ever-increasing defence effort and an unprecedented growth and expansion of our civilian economy. At the beginning of the year there may have been some doubt as to whether the Canadian economy would be equal to the strain; whether men and resources could be found to do what we wanted to do without causing serious trouble elsewhere.

There were difficulties and it was necessary for the Government to take measures -- some of them unpopular -- to keep the situation in balance and in particular to restrain inflationary pressures, which are always a problem under such conditions. Prices rose, in spite of what was done. That was inevitable, for Canada could not have insulated herself successfully from the world forces of inflation that were at work towards the end of 1950 and in the early months of 1951.

By the middle of 1951 a greater degree of stability was achieved in world markets and the Canadian anti-inflationary policies took hold. The panic buying, which followed the outbreak of hostilities in Korea, seems to have come to an end, at least for the time being. Public psychology has changed. It is no longer as easy as it was a few months ago to sell such things as automobiles, refrigerators and clothing. Competition is becoming keener and spreading throughout the economy. The cost-of-living index has continued to rise, but at a very much slower rate in recent months. In fact, on December 1 there was a small decline in the index.

These are promising signs. They hold out the hope that some balance is being restored, and that the measures, adopted by the Government are working as they were intended to work. No one in the Government has ever said that Canadian fiscal, monetary and credit policies could affect,