

..... Canada enjoys no immunity from the dangers of inflation. Indeed, it has a special interest in avoiding those perils. If Canada does not maintain the stability of her currency while all of the other principal countries are doing so with theirs, we will most certainly be priced out of world markets, with results that will be a catastrophe for Canada.

We have not lightly taken up the battle against inflation. We are not unmindful of the tasks and risks involved. We do not beguile the public into thinking that the battle against inflation can be won without paying a price. We do not change our policies as have those who but a few months ago were shaking confidence by their doleful declarations on the subject of inflation and are now prepared to turn a benign eye on relaxation of effort. But having fought to this point with some success against inflation, there can be no turning back or capitulation or half-hearted struggle now....

I am asking for the support of the Canadian public, to the fullest degree that Canadians are prepared to give it to us, in our efforts to preserve the stability of the Canadian dollar. We must all recognize that there is in the world today a shortage of capital, and Canada is experiencing that shortage. I ask the Canadian people to refrain from asking for governmental expenditures which are not strictly necessary now. By preserving the value of the dollar, we shall strengthen confidence in Government credit, which will in turn arrest the upward movement in interest rates and restore bond values. This is a task in which every Canadian has a direct interest.

"The task of maintaining the soundness and stability of currency is never ended", said President Eisenhower recently. "We must be vigilant, realistic and determined in our efforts to resist the perils of inflation."

#### Conclusion -- Strength of the Economy

I referred in opening to the enormous recovery in the economic and financial strength of the United Kingdom and the countries of Western Europe. The expansion of the Canadian economy matches that of any other country in the world. The existence of financial strains should not be permitted to obscure in our minds the rising strength of the Canadian economy. Today the Gross National Product has reached record heights. There are more persons employed in Canada than ever before. They are earning more than ever before. They are spending more than ever before. They are saving more than ever before. Canada's exports are at a record level, Canada's imports are at a record level. Canada's total trade is at a record level. Farm cash income is at record levels. The public's holdings of government securities have reached an all-time total. Savings deposits in the Canadian banks have reached a record level. Labour income is at an all-time high. Retail sales are higher than ever before.