

## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
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### LIVING WITHIN OUR MEANS

An address by Mr. J.E. Coyne, Governor of the Bank of Canada, to the Canadian Club of Winnipeg, January 18, 1960

There are three recognized major economic goals of modern states--economic growth, a high level of employment, and a stable value for the currency. A sound currency and price stability are not only of major importance in themselves but are essential to the maintenance over a long period of fruitful economic growth and a consistently high level of employment.

The objective of central banking is therefore to safeguard the value of the national currency and to contribute to the maintenance of overall economic growth on a sound and sustainable basis, in order that the end results of the business activities of all members of society may be a rising standard of living, an increasing measure of enjoyable leisure, and as wide as possible a choice of useful and constructive employment opportunities.

It is important to emphasize that the goal of economic policy is not just any kind of growth and definitely not a hot-house type of growth, but sound and sustainable economic growth, a continuous and sustained improvement in production. As the Minister of Finance said last week, with particular reference to Canadian economic development during the decade of the fifties: "Too often we have been tempted to pursue too rapid a rate of growth with too little regard for the inevitable consequences and inequities. ... We cannot assume the assurance of a higher national income year after year unless we take steps to ensure that the expansion is orderly and balanced."

### Unrealistic Growth

The pursuit of an unrealistic rate of growth regardless of cost will also most certainly lead to inflation of prices, of costs of production, hardship and misery for all those whose incomes cannot be adjusted to the higher cost of living, and serious displacements in those industries which find themselves in consequence of these factors unable to continue to export under competitive world market conditions,