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CANADA'S FUTURE IN THE WORLD OF TRADE

In an address on March 11 to the Business Men's Weekend Club of the Banff School of Advanced Management in Banff, Alberta, the Deputy Minister of Trade and Commerce, Mr. James A. Roberts, said that a "notable feature" of Canada's trade in 1960 and for several years previously had been its "growing geographic diversification":

"...This has involved, in particular, a lower concentration of trade with the United States and an increase in the relative importance of our trade with countries such as the United Kingdom, West Germany and Japan. The steadily improving competitive position of overseas industrialized countries has enhanced their importance as sources of supply for the Canadian market. At the same time, strong internal growth rates within these areas has involved sharply expanded markets for Canadian products. Reflecting these broad tendencies, the proportion of our exports going to the United States had declined from 62 per cent in 1959, to 56 per cent in 1960, which means that 44 per cent of our total exports now go to overseas markets.

"The geographic distribution of our imports remained practically unchanged between 1959 and 1960. However, during the last four years, the United States' share of the Canadian import market has declined from 73 per cent to 67 per cent, while the share enjoyed by overseas countries has risen correspondingly.

"In the past few months our export sales have fallen below the levels of a year ago.

Economic activity in the United States has been edging downward for some months and, by January, industrial production was 8 per cent below the level of the preceding year. As usually happens, the adverse effects of this decline in factory output upon the demand for industrial materials has been accentuated by inventory liquidation. In consequence, our sales to the United States (as reflected in trade figures for the last three months) have recently been running 17 per cent below the level of a year ago. In the overall trade figures, lower sales to the United States have, in large part, been offset by increased shipments overseas. However, recent indications of hesitancy in the trend of activity in some overseas countries, particularly the United Kingdom, may foreshadow a temporary interruption to the upward trend in our sales to some of these markets.

COMPLETE INSULATION IMPOSSIBLE

"The Canadian economy, and in particular our level of trade, cannot be fully insulated from the effects of such economic fluctuations in major market areas. Nevertheless, forward-looking action has helped to cushion the adverse affects of these fluctuations. I have already indicated how the recent diversification of our export markets has helped to limit the negative influence of the current downturn in the United States.

"But there are brighter spots in our current trade situation. The careful attention

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