

GOVERNMENT



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WEEK'S EVENTS IN REVIEW

MR. HOWE'S BUSINESS SURVEY: Describing the year 1953 as having been "a remarkable year by any measure," with record output and national development, and with export trade in physical terms "as high as in the record year 1952," the Minister of Trade and Commerce, Mr. C.D. Howe, in his annual business survey in the House of Commons on November 30, said, "Looking to the year ahead, there seems to be little indication of any serious interruption in the generally prosperous conditions now prevailing."

The following is the partial text of Mr. Howe's review and forecast:

"What strikes me as most significant about the present situation is that here in Canada, and I think in every other country where there is reasonable freedom, conditions are becoming more competitive. The period of post-war inflation, which was given a shot in the arm by Korea, seems to have come to an end. The sellers' market has to all intents and purposes disappeared. The buyer is in a stronger bargaining position than he has been for many years.

"This is a healthy development, far healthier indeed than the indefinite continuation of a situation in which costs and prices are being pushed up by the pressure of excess demand. Inflation breeds slump and the sooner inflation can be brought to a halt, the smaller the resulting distortion.

"Fortunately for all of us, now and in the future, inflationary tendencies were never permitted to get out of hand in Canada. There has, of course, been a substantial rise in general price levels since the end of the war but most of this was unavoidable, the inevitable consequence of world-wide forces. As a result of our internal fiscal, monetary and credit policies and related measures, coupled with our multilateral trading policies, Canada experienced as little inflation as any country and a good deal less than most.

"For that reason the adjustment to a more competitive situation has not caused, and should not cause, serious difficulties for the Canadian economy as a whole, although it may for particular industries and particular firms. I think it can be said that we have been building on pretty solid foundations.

"Evidence that this is so is to be found in the continued high level of Canadian economic activity. 1953 has been an extraordinary year by any measure. Total output will exceed \$24 billion, probably more than 5 per cent above 1952. Since price levels have been more or less stable over the past year, this represents an equivalent increase in real output in line with the increase achieved in each of the three preceding years.

"As output rose, so did employment. Even with the steady rise in the labour force, augmented by large numbers of new immigrants,