

STATEMENTS AND SPEECHES

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CANADA'S ECONOMIC OUTLOOK

Address by John H. Dickey, Parliamentary Assistant to Minister of Defence Production to Canadian Retail Hardware Association in Toronto, Ontario on February 6, 1956.

The subject allotted to me at today's luncheon is "Canada's Economic Outlook". Perhaps I might do three things today: review briefly where the Canadian economy stands at present; comment on what seems to lie ahead for us over the next year; and finally, conclude with some observations on how the economic outlook is likely to affect your own business - the hardware business.

By any standard of comparison the year just passed has been Canada's best peacetime year of economic achievement. The nation's output reached a value of close to \$26½ billion in 1955, or 10 per cent above the gross national product of 1954. The remarkable thing about this record output was that it was achieved with comparative ease. The economy was not entirely free from stresses and strains of serious supply bottlenecks, which became more noticeable as the year came to a close. But inflationary pressures which usually accompany such a rapid expansion of economic activity, were almost wholly absent. The general price level in Canada in 1955 was little different from that in 1954. As a result, almost all of the increase recorded in Canada's gross national product represented an addition to the volume of goods and services produced in the country and available to Canadians to use.

You may recall that the last peak in economic activity was in 1953 when we had a gross national product of about \$24½ billion. In the ensuing year, the Canadian economy levelled off. In the non-agricultural sector we about held our own, but in the agricultural sector a decline was recorded. Even if the achievements of 1955 are stacked up against the previous economic record of 1953, last year still marks a period of significant economic progress. The increase in the volume of gross national product over the two-year period, that is, 1953 to 1955, was 7 per cent, or at an annual average rate of increase