

The Prime Minister announced that the Secretary of State for External Affairs, Mr. Howard Green, had informed him prior to departure for Vancouver that arrangements for a meeting of representatives of Canada and the United States have already been discussed and it is hoped that negotiation of a treaty will begin early in the New Year.

CANADA'S ECONOMY IN 1959

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tinues to advance after a year of steady expansion. The balance of payments positions of these countries have strengthened and their reserves have increased substantially. The world's main trading currencies are now convertible and discrimination against dollar area exports is being progressively eliminated. Import restrictions are being relaxed and removed. Moreover, with the vulnerability to balance of payments difficulties greatly reduced, the growth of internal consumption and investment levels in many foreign countries is no longer subject to the same limitations as previously. Meanwhile, under-developed countries have benefited from a moderate improvement in world commodity markets. These developments have already resulted in a considerable increase in the level of international trade.

"In the early stages of this world expansion, the major material-consuming countries, such as the United States, relied to a large extent upon available domestic capacity to provide for their mounting requirements of industrial materials. However, further growth of production in industrial countries is likely to be accompanied by increasing reliance upon Canadian as well as other outside sources of supply. The level of Canadian exports is already rising and continuation of this trend would exert a dual stimulus within the economy. On the one hand, it would bring into use recently-created capacity in Canada's export industries. Secondly, it would generate new interest in industrial expansion and thereby reinforce the rising trend of capital investment now underway.

"What is presently known of investment plans for 1960 suggests that capital outlays by the business community will increase considerably. A stepped-up rate of expansion is indicated in the commercial sector, in manufacturing and possibly in some utilities also. The level of outlays in other fields of investment will depend in large part upon the physical and financial resources which they are able to command. For example, the reduced availability of mortgage funds has already brought about a decline in the level of

private housebuilding, but the recently-announced increase in the maximum rate on loans insured under the National Housing Act will facilitate the flow of money to this area. There is now clear indication that total investment, both private and public, will be up in the coming year.

"Prospective growth in both exports and investment will help to sustain the current upward trend of personal incomes and contribute to further strengthening in other market sectors. The consumer market in particular gives promise of continuing buoyancy in the period ahead.

"These considerations suggest that total demands upon the economy are likely to continue to increase, resulting in a further expansion of output and employment. While productive resources have become more fully utilized over the past year, there is still a considerable amount of available capacity in most industries. In addition, manpower and plant capacity are growing steadily. In these circumstances, it would appear that a production increase of considerable dimensions could take place without giving rise to excessive pressure upon productive capacities. At the same time, it is important that demands be kept within the scope of available resources. If this objective is achieved, Canadians can look forward with confidence to the continuation of sound economic growth."

TO VISIT CANADA

The Prime Minister, Mr. John G. Diefenbaker, has announced that Prime Minister Nobusuke Kishi of Japan has accepted an invitation to pay an official visit to Canada.

He will arrive in Ottawa at 11 a.m. on January 21, 1960, accompanied by Mr. Aiichiro Fujiyama, Minister for Foreign Affairs.

The Prime Minister of Japan and his party will leave at noon on January 22 to return to Tokyo.

NAMED SPECIAL AMBASSADOR

Mr. Bruce Williams, High Commissioner for Canada to Ghana, was Special Ambassador of Canada to the Republic of Liberia on the occasion of the inauguration of President William V.S. Tubman for a fourth term of office.

Mr. Williams attended the ceremonies which were held on this occasion at Monrovia, Liberia from January 3 to 7, 1960. He transmitted to President Tubman a message from the Prime Minister extending his personal congratulations and greetings to the people of Liberia on behalf of the people of Canada.