



STATEMENTS AND SPEECHES

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CANADA'S ECONOMY IN 1952

Text of a press release issued by the Minister of Trade and Commerce, and Defence Production, Mr. C.D. Howe, December 29, 1952.

The Canadian people as a whole have continued in 1952 to enjoy a condition of prosperity marked by strong export demand for staple products, substantial investment in defence and resource-development projects, generally favourable conditions as regards employment and income, and, following the successful salvage of wheat left unharvested last winter, by the production of a record grain crop.

Defence programmes continued to play a major role in the main trading areas of the Western world. Increases in defence production and in the armed forces occurred in most countries. Nevertheless, the extent of inflationary pressure was substantially less than in 1951, and decreases in wholesale and consumer prices occurred in many countries. At the same time, balance of payments problems continued as a major obstacle to the achievement of more stable international trading relations.

In Canada, market forces have been in fairly even balance during the year. Further expansion in the defence programme and increases in both investment and exports have been achieved without adverse effects. The fairly even tempo of activity during 1952 was in sharp contrast to conditions in the two previous years.

The general reduction of inflationary pressures permitted some modification in tax and credit policies introduced earlier, and the cessation of deferred depreciation has recently been announced.

Defence Preparedness

The Canadian defence production programme is now approaching the end of its second year. The first year was one of preparation, of designing and constructing plants and equipment, of determining types of military goods to be produced, of undertaking developmental work, and of placing some of the most important contracts. At the same time there were purchases of many miscellaneous items for which no special facilities were required. The current year may be regarded as one in which many of the specialized facilities have been put into place and the production of various complicated items commenced. Large scale production of complex equipment should characterize next year, while minor programmes will tend to fall off.