



STATEMENTS AND SPEECHES

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by

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CANADA'S ECONOMY IN 1957

In the year now ending, Canadians have been witnessing the culmination of a surge of expansion centered in material-producing industries and extending to all segments of the economy. The current phase of this expansion began in 1955, in response to world-wide pressure for more materials to provide for the rising levels of industrial production throughout the world. Substantial additions to capacity are now in operation or are nearing completion in all major resource industries. In some instances this new capacity will provide primarily for domestic needs. A major portion, however, is directed toward export markets. This industrial build-up has been the dominant stimulus underlying the high level of economic activity during the last few years.

With this expansion still at its height, international commodity markets have turned softer partly because of expanding world capacities and partly because of a levelling off in demand. In the United States, industrial output has been declining since the beginning of the year. The upward trend of output in Western Europe has slackened perceptibly in the last two years. In the United Kingdom, as in some other European countries, the intensification of measures to restrict internal demand has adversely affected imports of materials. In response to these changing influences weakness appeared in some commodities in 1956 and subsequently has spread to most of the agricultural, forest and mineral products important in Canada's export trade. As a consequence, the overall trend of Canada's exports has levelled off which, in turn, has had a dampening effect upon new expansion in resource fields. In addition, housing construction during 1957 has been below the unusually high levels of the two preceding years. Despite these adverse influences overall capital expenditure has continued to increase in 1957. However, the