



# CANADIAN WEEKLY BULLETIN

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## WEEK'S EVENTS IN REVIEW

**IN PARLIAMENT:** Parliament is in recess over the holidays, the House of Commons adjourning till Jan. 26, the Senate till Jan. 27. Before adjournment, the two Houses adopted addresses to continue the Continuation of Transitional Measures Act, 1947, and the Agricultural Products Act in force till March 31, 1948. Normally, they would expire Dec. 31. Under the first Act, remaining wartime emergency controls are imposed. The second has to do with powers under which British food contracts are implemented.

Statements were made by the Secretary of State for External Affairs on arms shipment to China and on arrangements for a Japanese peace conference (P. 4-6).

**BUSINESS AS YEAR ENDS:** Although 1947 has witnessed a degree of business activity unprecedented in Canada's peacetime history, elements of abnormality are more apparent as the year ends than when it began, says the Bank of Montreal current business summary. The summary continues:--

An enlarging flow of income, a diminished rate of saving and increased borrowing have combined to produce record domestic expenditures for capital and consumer goods. A continuing strong demand for Canadian products abroad, financed in part by credit, has resulted in new peacetime marks for export trade.

Industry, with much less interruption from labour disputes than last year, has been operating close to capacity, and unemployment has probably been as near the irreducible minimum as is practically possible. Physical volume of industrial production, according to the official index, has to latest report exceeded the 1946 level by nearly 10% and has been 75% greater than the average of the years 1935-39. Agricultural output, while in lower figures than last year, has for the most part been reasonably satisfactory.

But in aggregate, combined internal and external demand for Canadian goods and services has been running ahead of available supplies, and with the progressive removal of price controls and subsidies, the readjustment to fundamental market conditions has involved an uninterrupted rise in prices and living costs. A record inflow of imports, predominantly from the United States, has helped to satisfy domestic demand and thus to moderate inflationary pressures, but at the cost of depleting this country's U.S. dollar reserves. Pressing problems arising both from Canada's shortage of U.S. dollars and from other countries' lack of Canadian and U.S. dollars emphasize the Dominion's dependence on restoration of conditions under which multilateral trade will once more be possible.