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CANADA'S ECONOMY IN 1958

In his review of Canada's economy in 1958, Mr. Churchill, the Minister of Trade and Commerce said that, all in all, the current improvement in economic conditions is proceeding on a sound basis. The upward movement of wage rates has moderated but employment prospects are improving, and the purchasing power of the wage earner is being maintained. Prices of material have become firm but with capacity being ample, have not surged upward. Output in many industrial establishments is moving closer to an optimum level. These developments should help to restrain the upward pressure on prices and, at the same time, contribute to recovery in business earnings. There is little indication of an upsurge of boom proportions but in the continuation of a balanced improvement, lies the hope of achieving prolonged and steady growth.

Mr. Churchill said in part:

"...Considering the severity of the impact of adverse influences from abroad, the pace of economic activity in Canada has been remarkably strong. Weaknesses in some areas of demand have been offset by increasing strength in others and business conditions have in general remained favourable. The downward trend in overall production and employment, in evidence in the closing months of 1957, was checked early in 1958...."

"On the basis of nine-month figures it now appears that Canada's Gross National Product for 1958 will exceed \$32,000 millions, 2 per cent above the figure for 1957. Prices on

average have increased by almost the same percentage. Overall production in volume terms has equalled the level of the preceding year. Employment also has held up well and by the last quarter, jobholders numbered about the same as a year ago. Industrial employment has been running moderately lower, but this has been offset by a further filling out in service occupations. The labour force has grown at a slower rate this year, reflecting a level of immigration less than half that of 1957. Unemployment has been higher but the percentage increase from the same date a year ago has been narrowing sharply.

FOREIGN TRADE

"Despite conditions of ample supply in world-commodity markets, Canada's sales abroad have not followed the downward trend of world trade at large. Total exports in 1958 have remained at about the same level as in the preceding year. Substantially increased sales have been achieved for several commodities. Prominent among these is wheat, exports of which reached 316 million bushels in the crop year 1957-58 - up from 267 million bushels in the preceding year. Sales in commercial markets accounted for a good part of this increase. The improved protein quality of the 1957 and 1958 crops has been an important factor contributing to higher sales. Shipments made to Colombo Plan countries under long-term credit and aid arrangements have further added to the total movement. Barley also has been