

(Continued from P.2)

CONTINUED PROSPERITY

now prevailing. In the United States there have been numerous predictions of a moderate decline in activity in 1954. The basis for these expectations has been explained in terms of lower defence outlays, reduced capital spending, inventory liquidation, a decline in housing, softening in the automobile market and a number of other reasons.

"Without trying to evaluate the significance of each of these factors it is, perhaps, worth emphasizing that in the United States as elsewhere there appears to be a significant absence of conditions normally characteristic of a pre-recession boom. By and large, speculative excesses have been absent since 1951. Commodity prices have been following a steady to slightly downward trend and business sentiment, seemingly influenced by oft-stated reminders of the dangers of a post-defence let-down, has remained on the cautious side. In such circumstances, there is little tendency for businesses to become over-extended and vulnerable.

"The present situation would appear to be one in which adjustments could occur in one or in several sectors without any danger of these multiplying into a general collapse.

U. S. ECONOMY

"In these circumstances any adjustments in the United States economy in the months ahead are not likely to be of sufficient magnitude to seriously curtail sales of Canada's major export items to that country. If we can assume also that no new obstacles to the entry of Canadian materials are created, the United States should continue to provide a receptive market for Canadian goods. Even so, it is doubtful whether Canada's sales to the United States will keep pace with the sales of United States producers in Canada.

"With some notable exceptions such as Japan, Canadian exports to overseas markets have declined considerably in 1953. The circumstances which have contributed to the decline in sales of basic materials are not likely to be repeated in the year ahead. In fact with the continued increase in the dollar reserve position of the non-dollar world, some pick-up in sales of basic materials is possible. On the other hand grain sales are almost certain to fall short of the record shipments achieved in the last two years. Nevertheless, in spite of increased world supplies, requirements of importing countries remain large and there is good reason to expect that Canada will obtain a fair proportion of this market.

"Sales prospects are probably firmer at home than in export markets. As previously indicated, it is likely that capital spending will remain high. Government expenditure for defence and for other purposes should continue to act as a stabilizing influence. In these

circumstances the trend of personal incomes should be at least sustained. Given a stable price level, this would continue to support a high level of spending on consumer goods and services even though a levelling in the rate of expansion of consumer credit might reduce the buoyancy in the durable goods market. As previously indicated, inventories are now high in a few specific lines. These are, however, exceptions, since total business inventories have not quite kept pace with the total volume of business sales.

"These considerations suggest the continuation of generally stable market conditions in the period ahead. At the same time some industries are encountering difficulties and for this reason expansionary trends in the Canadian economy in the year now ahead may be less pronounced than in the past three years."

* * * *

ABOUT 12,000 TO GRADUATE: A total of 12,132 young men and women are now completing their final year in Canadian universities and preparing for graduation in the spring of 1954, according to an announcement by the Minister of Labour, Mr. Gregg.

The total enrolled at present in the graduating classes is approximately the same as in 1953, although experience has shown that wastage due to failure and drop-outs may cut down the total by as much as four or five per cent in one year before final graduation takes place.

In addition to the more than 12,000 young men and women in the graduating classes who are aiming for bachelor's degrees there are 2,929 students in their final year of post graduate studies.

Included among those in the final year were 1,270 engineers, 3,228 in arts, 1,078 in education, 790 in commerce and business administration, 892 in medicine, 172 in dentistry, 235 in agriculture, 387 in law, 340 in pharmacy, 683 in nursing, and 85 in forestry.

* * * *

OCTOBER SALES UP 9.4 P.C.: Canadian retailers had estimated sales in October valued at \$1,088,379,000, a gain of 9.4 per cent over the preceding month's \$996,740,000, and a rise of 5.4 per cent over last year's October value of \$1,032,253,000, according to the Dominion Bureau of Statistics. This brought the cumulative value for the first 10 months of 1953 to \$9,920,338,000 as compared with \$9,412,048,000 a year earlier, an increase of 5.4 per cent.

* * * *

WHEAT SUPPLIES: Visible supplies of Canadian wheat in store or in transit on December 9 moved up to 341,710,000 bushels from 340,466,000 a week earlier, and 243,774,000 at the same time last year, according to the Dominion Bureau of Statistics.