



STATEMENTS AND SPEECHES

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REVIEW OF CANADA'S ECONOMY IN 1959

by

Mr. Gordon Churchill, Minister of Trade
and Commerce, December 28, 1959.

This December marks not only the end of a year but also the end of a decade. For the Canadian economy it has been a decade of substantial growth and the period ends, as it began, on a strong expansionary trend. However, the prevailing conditions are quite different from ten years ago. In 1950 and the immediately ensuing years, the key stimulus to growth came from defence preparations and related demands emerging from the Korean crisis and the N.A.T.O. defence effort. At that time, shortages and fears of shortages were prevalent, excessive demand pressures created strains in some segments of the economy and prices rose sharply. By contrast the current expansion is anchored to the more solid foundations of constructive peace-time pursuits.

The growing needs of the Canadian people, whether for public facilities or for goods and services, have given the dominant push to the present upward surge of productive activity. During the past year, as the economy continued to move out of the 1957-58 recession, operating levels in most industries have moved closer to capacity and the productive resources of the economy generally have been more fully employed. At the same time, in no area of production has demand become excessive, price changes have been moderate and the general level of prices has increased only slightly. A strong rate of growth has been experienced without dislocation or strain.

Production and Employment

Canada's Gross National Product in 1959 has increased by 7 per cent from the level of the preceding year. Prices have risen on the average by 2 per cent. This means that total national output, in physical volume terms, is up by about 5 per cent. Agricultural production in 1959 has been affected by below-average harvests of grains