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Friday, December 28, 1951.

Mr. Howe's Year - End Economic Review: Ottawa, December 27 (CP) -- The Minister of Trade and Commerce, Mr. Howe, declared today that 1951, a year in which a record total of \$4,600,000,000 was poured into expansion of the Canadian economy, was "a good year" for Canadian business. He forecast it will be as good in 1952.

In a 3,000-word annual review of Canadian economic development, the Minister noted:

1. Capital investment -- one of the keys to Canadian prosperity -- jumped \$800,000,000 from the previous high of \$3,800,000,000 in 1950.

2. Inflation, one of the big threats to the economy at the beginning of the year, slackened in the last half. As Government anti-inflationary action took hold, prices advanced less rapidly towards the end of the year. Panic buying disappeared.

3. The threat of communism and unprovoked aggression in Korea had been met. A "solidarity of opinion and of will power" was marshalled through the North Atlantic Organization "to supply a positive answer to the communist challenge". Rearmament was undertaken on a large scale. A start was made on the Colombo Plan to raise living standards in South and Southeast Asia.

"The events of 1951", he said, "justify an increasing optimism, not only for our future here in Canada but for the future of the countries of the free world with which we are associated."

In the year's expansion of the economy, the major preoccupation was with rearmament, "a complicated and protracted business", resulting in rising prices and in shortages of raw materials. But, on the other hand, "some slackness appeared in our economy in the last half of 1951. Sales of some consumer goods declined and unemployment occurred in certain localities, but these are specific, not general difficulties."

Canada undertook a three-year, \$3,500,000,000 defence - production program and distributed \$1,326,000,000 worth of defence orders in the first seven months of the year. But the Canadian program was small compared to that in the United States and a large part of the equipment had to be imported from the U.S. There were delays in production, but these were gradually being overcome.

In the field of resources development, some of the projects were of "heroic proportions", helping to supply the Western World's defence needs. In the last five years, estimated Mr. Howe, \$2,500,000,000 was spent in Canada on expansion of natural resources, "most of this in fields essential to the defence of the free world".

The St. Lawrence seaway and power project loomed large in Canadian economic thinking. "We cannot afford much longer to be without this project", said Mr. Howe. "We need the power. We need the seaway for the transportation of our bulk commodities. Without these our economic growth would be hindered."

The increase in arms buying from the U.S., and the high demand for U.S. consumer and capital goods in Canada, resulted in a deficit in Canada's foreign trade, but it should not be assumed, said Mr. Howe, that the deficit resulted from any "basic weakness" in Canada's foreign trade structure.

Anti-Price-Fixing Bill Debate: Ottawa, December 27 (CP) -- The House of Commons voted 137 to 26 tonight against the third Progressive Conservative attempt to defeat the Government's anti-price-fixing bill.

The motion, introduced a short time earlier by Mr. George Drew, urged that the subject matter of the legislation be tested before the Supreme Court of Canada to determine constitutionality. Liberals, C.C.F. and Social Credit members voted against it. J. L. Gibson (Ind. -- Comox-Alberni) sided with the Progressive Conservatives.