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REVIEW OF CANADA'S ECONOMY IN 1968 AND OUTLOOK FOR 1969

Statement by the Honourable Jean-Luc Pepin, Minister of Industry and of Trade and Commerce, December 31, 1968

Nineteen hundred and sixty-eight has been another good year for Canada. Against the background of a sharp acceleration of the rate of growth of world production and trade, the forward momentum of the Canadian economy picked up significantly. It now appears that the gross national product has increased by close to 8 per cent this year and national output in real terms by no less than 4 per cent. The growth of demand and output, however, has not been adequate fully to absorb the new productive resources becoming available. While employment on average is up 2 per cent over 1967, unemployment has increased somewhat and is now running at about 5 per cent of the labour force, seasonal factors aside.

Total industrial output is up $4\frac{1}{2}$ per cent this year compared to last, and manufacturing has shown a gain of over 4 per cent. Gains in real returns to manufacturers and the consequent increase in demands upon other sectors of activity have been an important factor contributing to new job opportunities in the economy as a whole.

In varying degrees, continental rationalization of production continues to impart new vitality to Canadian manufacturing, and industries extensively involved in this process are in the forefront of this year's advance. Motor vehicle assemblies have exceeded 1.1 million units in 1968, and output of vehicles and parts combined has increased nearly one-fifth in the past year and three-fifths since 1964. Annual exports of automotive products have reached the \$2.5-billion mark to become by far the largest single Canadian export. While imports of automotive products still exceed exports, the deficit incurred in 1968 is the smallest in a good many years. Output of aircraft and parts is also up substantially in 1968, this being another industry heavily involved in two-way trade. In iron and steel, the strong growth trend of preceding years has been sustained in 1968, reflecting both higher exports and the expanding domestic needs of other export-oriented industries.

Among industries encountering less favourable conditions are the newsprint producers, which, faced with newspaper strikes and expanded newsprint capacity in the United States, have barely maintained the 1966 production