

## PART I

## Economic White Paper for 1968

|   | PAGE |
|---|------|
| The Canadian Economy: Review and Outlook.....       | 1251 |
| Review of 1967 and 1968.....                        | 1251 |
| Outlook in 1968.....                                | 1255 |
| The World Environment.....                          | 1257 |
| The International Economy.....                      | 1257 |
| Problems of the International Financial System..... | 1260 |
| Readjustment, 1967 and 1968.....                    | 1263 |
| Income Developments.....                            | 1263 |
| Expenditure Trends.....                             | 1265 |
| The Labour Force.....                               | 1276 |
| Employment.....                                     | 1278 |
| Regional Employment Trends.....                     | 1278 |
| Output, Productivity, Costs and Prices.....         | 1281 |
| The Government Sector.....                          | 1288 |
| Current Developments.....                           | 1290 |
| The Federal Government.....                         | 1290 |
| Provincial and Municipal Governments.....           | 1292 |
| Financial Transactions of Governments.....          | 1293 |
| Source and Disposition of Saving.....               | 1295 |
| Financial Developments.....                         | 1297 |
| Introduction.....                                   | 1297 |
| The Effect of Financial Developments Abroad.....    | 1299 |
| Bond Market Financing.....                          | 1302 |
| Mortgage Market Financing.....                      | 1303 |
| Consumer Finance.....                               | 1305 |
| Business Finance.....                               | 1305 |
| Federal Government Debt Operations.....             | 1307 |
| Capital Account of the Balance of Payments.....     | 1311 |
| Index to Reference Tables.....                      | 1317 |

The tables and charts in this Budget Paper are based upon data provided by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies. A few of the figures appear for the first time; others have been published elsewhere. All 1968 figures are preliminary and subject to revision.