



# CANADIAN WEEKLY BULLETIN

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## ASPECTS OF CANADA'S EXPANSION

Resource development can be exaggerated as a factor in Canada's economic progress, Louis Rasminsky told delegates to the National Foreign Trade Convention held recently in New York City.

Mr. Rasminsky, Deputy Governor of the Bank of Canada, said that impressive as that development has been, in actual fact aggregate investment in secondary industries, in communications, in distributive and service facilities, in non-residential construction and in housing has been several times as large as investment in the exploitation of primary resources...

Admitting that the recent Canadian expansion is, of course, by no means an isolated case and that one of the most striking economic facts of the past few years in virtually all parts of the world, Mr. Rasminsky said that there were two or three special features in our position.

One is that the Canadian economy has been expanding almost without interruption since the end of the war. At first it seemed to be a question of making up for the depression and the war, during which civilian progress was at a standstill and even maintenance reduced; during the 1950's there has been continuous and, in the last year or two, accelerating new expansion.

Continuing his remarks, Mr. Rasminsky said, in part:

"A second remarkable characteristic of our growth has been its magnitude. In real terms, gross national product is currently running some 40 per cent higher than it was at the end of the 1940's. This in itself, though impressive, does not seem much different from the growth of output in the United States. But the rate of investment in Canada has been considerably higher than it has been in the United States and most other countries. Ever since 1948 the proportion of our gross national product devoted to investment has exceeded 20 per cent; this year it will amount to the very high figure of 25 per cent. These rates are considerably higher than the corresponding figures for the United States. There appears to be this difference between the recent character of investment in Canada and the United States--that in our case a higher proportion of investment has gone into activities that either do not result directly in industrial output, such as pipelines and transportation, or into very long range projects which still are to be reflected in our production statistics such as oil, hydro-electric development, and so forth...

### MARKED INCREASE

"Since the pause of 1954 the increase in output and investment in Canada has been very marked. Gross national product in value terms was 10 per cent higher in 1955 than 1954 and

(Over)

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