

Miss Hamilton



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 6, No. 116

Thursday, June 16, 1955.

Canadian Economy Soars To New Production High: Ottawa, June 15 (CP) -- A revitalized Canadian economy, spurred by heavier consumer earnings and spending and by a resurgence of business stockpiling, is heading for a record \$25,000,000,000 gross national product for the year on the basis of trends in the first three months.

DBS estimated today that in the first quarter the gross national product -- value of all goods and services produced -- rose to a high of \$5,656,000,000, a gain of \$250,000,000 over the \$5,406,000,000 in the similar 1954 period.

It was a period in which, despite large pockets of unemployment, consumers made more money and spent more and in which business men, apparently regaining their confidence in the future, stockpiled more goods, especially motor cars, in anticipation of bigger markets ahead.

On the basis of conditions in those three months -- a sharp contrast to the gloomy recession period in the earlier parts of 1954 -- the Bureau estimated the gross national product would reach a record \$25,000,000,000 for the full year if it maintained the first-quarter pace. If achieved, this would be a rise of \$1,000,000,000 over 1954 and \$600,000,000 over the previous high of \$24,400,000,000 in 1953.

But it would be just short of the \$25,250,000,000 forecast by Finance Minister Harris in his April 5 budget. If the gross national product does not rise to Mr. Harris' forecast, it may mean that the federal deficit for 1955-56 may be larger than the \$160,000,000 estimated by the Minister.

On the other hand, the final figure may be higher than the current estimate. National production is based on a rise in crop output from last year's very poor harvests. If the wheat crop fails again, the gross product will undoubtedly show a large decline. But a bumper crop may boost the gross product to higher ground. . . .

Canada, U.S. Atomic Energy Information Agreement: Ottawa, June 16 (CP) -- Mr. Pearson announced signing of a Canada-U.S. agreement for wider exchange of atomic energy information.

Washington, June 15 (CP) -- Agreements covering the exchange of atomic information for military and civilian purposes were signed today by Canada and the United States.

The U.S. also signed agreements on the exchange of civil atomic data with the United Kingdom and Belgium. Canada was the only country to enter into an agreement for the exchange of atomic information for mutual defence. Texts of the agreements will be made public later. . . .

Heavy "Bomb Damage" In Canada, U.S. Test: Arnprior, Ont., June 15 (CP) --

Reports of heavy "bomb damage" to Canadian cities poured into Civil Defence headquarters tonight as part of a joint United States-Canadian exercise.

In Toronto, Controller David Balfour said he was "ashamed and appalled" at the city's unpreparedness. He said he will urge a complete investigation of the Civil Defence organization. The city's Civil Defence setup was recently transferred to the Metropolitan Council.

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