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CANADA'S ECONOMY IN 1959

In his year-end review of economic development in 1959 and forecast for 1960, Mr. Gordon Churchill, Minister of Trade and Commerce, predicted that Canadians could look forward with confidence to the continuation of sound economic growth. Mr. Churchill noted that economic conditions now were based on the "solid foundations of constructive peacetime pursuits", whereas a decade ago they were based on the requirements of the Korean War and the NATO defence build-up.

The growing needs of the Canadian people, the Minister said, whether for public facilities or for goods and services, have given the dominant push to the present upward surge of productive activity.

Mr. Churchill's review follows:

"Canada's Gross National Product in 1959 has increased by 7 per cent from the level of the preceding year. Prices have risen on the average by 2 per cent. This means that total national output, in physical volume terms, is up by about 5 per cent. Agricultural production in 1959 has been affected by below-average harvests of grains and some other crops, but most other industries have experienced substantial gains. Industrial production has increased by 8 per cent.

"Expanding production has, in turn, meant more jobs. Total employment has been nearly 3 per cent higher on the average in 1959 than in the preceding year. The long-term decline in farm employment has continued, but non-farm job-holders increased by 3.5 per cent. New

job opportunities have kept ahead of the expanding labour force and unemployment has declined. Considered as a proportion of the labour force, the number of jobless persons in Canada fell from 6.6 per cent in 1958 to 5.6 per cent in 1959. By November, unemployment was 18 per cent below the level of a year ago.

INCOMES AND CONSUMPTION

"The improved tempo of economic activity has been reflected in higher returns to all major income groups. Higher operating levels in industry have contributed to a sharp recovery in corporate profits, together with a further increase in wage and salary scales. Increased rates of pay, together with more and steadier employment, have raised labour income by 8 per cent this year compared with last. All major categories of investment income have increased. Government payments to individuals have shown a further slight increase, following on the substantial rise of the preceding year. Despite lower prices for some commodities and below-average harvests, cash returns to farmers have been well sustained. Personal income in total, after deducting direct tax payments, increased by 6 or 7 per cent between 1958 and 1959.

"This strong income trend has provided the basis for a quite substantial rise in consumer spending. Durable goods, in particular, have surged ahead with automobile sales up 15 per cent and most of the major household appliances also showing substantial gains. Spending on

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