

CANADIAN ECONOMY CLOSER TO BALANCE

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of demand for capital materials and equipment and the buoyancy of consumer spending and export sales have led to the maintenance of a high volume of production. In some instances, particularly where new capacity has been brought into production, output has risen noticeably; uranium, petroleum, iron and steel, rubber and tobacco products were all produced in significantly greater volume this year than last in the first four months' comparison. As a result of these offsetting trends, the index of industrial production, after being adjusted for seasonal variation, has followed a fairly horizontal trend in contrast to the marked growth that occurred from mid-1954 to mid-1956.

EMPLOYMENT

Similarly, industrial employment, on a seasonally adjusted basis, has been rising at only a moderate rate in comparison with that experienced throughout 1955 and the first half of 1956. As mentioned in our last month's Review, this trend, in conjunction with a sustained rate of growth in the labour force, has resulted in a larger number of persons without jobs and seeking work this year than last. The situation was at its worst during March and April, when unemployment was up by 49,000 over the corresponding months of 1956. In May, however, there was a noticeable improvement with the net increase in unemployment over a year earlier falling to 29,000.

The levelling out of industrial production and the tendency for unemployment to be in moderately higher figures this year than last may well, and indeed should, command close attention in the months ahead. But at the same time it is necessary to bear in mind that both output and employment are still significantly higher than they were a year ago. At latest report in April, the index of industrial production was 3.4 per cent above a year earlier, while with more people at work at higher rates of pay the total wage and salary income of employed persons was up by 8.1 per cent.

In point of fact, 1957 will probably see new records established in nearly every major sector of the economy, although not in every component product. The broad trend of business activity continues to be upward, but it is apparent that the momentum of advance has slackened and that in many lines demand is becoming more closely aligned with the increased

supplies available. With the economy approaching equilibrium in this respect, it is only to be expected that among the various industries the plus signs will tend to become less uniform and be counterbalanced by a growing number of minuses.

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VISIT CANCELLED: Prime Minister Diefenbaker last week announced that Prime Minister Suhrawardy of Pakistan had found it necessary to cancel his official visit to Canada which was to take place this week.

In his statement, Mr. Diefenbaker reported that the possibility of a later visit had been discussed with Mr. Suhrawardy and it was hoped that he would be able to come to Canada the next time he is in North America.

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NEW CUBAN AMBASSADOR: The new Cuban Ambassador to Canada, His Excellency Carlos Carrillo Y Gonzalez de Mendoza, presented his Letter of Credence to the Honourable Justice C.H. Locke, the Deputy Administrator, at a ceremony which took place last week at the Supreme Court of Canada.

Mr. Jules Léger, Under-Secretary of State for External Affairs, attended the Deputy Administrator, and Mr. Ph. Thibault, Deputy Chief of Protocol, presented the Ambassador to the Deputy Administrator. The Ambassador was accompanied by Dr. Julio Dumas Andreu, attaché of his Embassy.

Mr. Carrillo entered the Cuban Foreign Service in 1953 as Commercial attaché. In 1955 he was appointed Cuban Minister to the Far East (The Phillipines, China and India) and simultaneously as Ambassador to Honduras, a post he kept until his present appointment.

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ROYAL VISIT STAMP: A special postage stamp will be issued to commemorate the visit to Canada in October of Her Majesty Queen Elizabeth and Prince Philip, the Post Office Department has announced. Work is well advanced on the design and engraving of the stamp to be issued and details of the design will be announced at a later date.

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FOREIGN VEHICLES: Foreign vehicles entered Canada on travellers' vehicle permits in record numbers in June and the first half of this year, Dominion Bureau of Statistics reports. The month's total was up 3.6 per cent to 332,014 from 320,390 a year earlier, and the half-year's total increased 7 per cent to 830,083 from 775,484. Increases were posted in June for all provinces except British Columbia and in the half-year for all provinces except Newfoundland and Nova Scotia.