

**J.E. COYNE SUCCEEDS DONALD GORDON:** The Directors of the Bank of Canada have appointed J.E. Coyne to be Deputy Governor in succession to Mr. Donald Gordon who is leaving at the end of the year to become President of the Canadian National Railways. This was announced on November 28 in Ottawa by Graham Towers, Governor and Chairman of the Board. The appointment is effective January 1, 1950.

Mr. Coyne was born in Winnipeg 39 years ago, the eldest son of Justice J.B. Coyne of the Manitoba Court of Appeals. He graduated from Manitoba University in 1931 and subsequently studied law at Oxford University as a Rhodes scholar until 1934. After practicing law in Winnipeg for several years he joined the Research Department of the Bank of Canada in 1938, and undertook studies of financial problems in "federal type" countries for the Rowell-Sirois Commission.

Mr. Coyne's career in the Bank has covered a wide field of experience. He took a prominent part in the pre-war preparations for a Central Mortgage Bank and later for the inauguration of Foreign Exchange Control. He was Secretary of the Foreign Exchange Control Board from September 1939 to March 1941.

**LOANED TO GOVERNMENT**

Mr. Coyne was then loaned to the Canadian Government to take on special duties as Financial Attaché at the Canadian Embassy in Washington. These duties involved financial relations between Canada and the United States, including the development of the Hyde Park Agreement in April 1941.

Mr. Coyne returned to Ottawa in the autumn of 1941 to take part in the early period of planning and organization of the overall price ceiling by the Wartime Prices and Trade Board. He joined the Prices Board as Assistant to the Chairman at the same time as Donald Gordon assumed the Chairmanship, and was later appointed Deputy Chairman. In 1942 he enlisted in the R.C.A.F. and trained as a pilot.

At the end of 1944 Mr. Coyne returned to the service of the Bank, when he was appointed Executive Assistant to the Governors. He also took in the duties of Securities Advisor in 1946 when Mr. K.A. Henderson resigned from the Bank to become Vice-President of Imperial Oil Limited. Among the most recent of Mr. Coyne's responsibilities has been the direction of the Bank's operations in the Government securities market, and also the Bank's activities in connection with the last three Canada Savings Bond Campaigns.

**NEW BANK DIRECTORS:** The Governor-in-Council announced on November 29 the appointment of Alfred Pickard of Charlottetown and Mr. Hazen A. Russell of St. John's as Directors of the Bank of Canada.

Mr. Pickard's appointment fills the vacancy created by the death of J.L. Holman, Summer-

side, P.E.I. Mr. Holman's term did not expire until February 28, 1951, and in accordance with the Bank of Canada Act, the Minister of Finance has named Mr. Pickard to hold office for the remainder of Mr. Holman's term. Mr. Pickard is a successful merchant in Charlottetown and is also a member of the Prince Edward Island Advisory Board of the Eastern Trust Company.

Mr. Russell's appointment fills the additional directorship created at the last Session of Parliament in order that a director from Newfoundland might be appointed. Mr. Russell's term will also expire on February 28, 1951. Mr. Russell is President of Job Brothers and Company Limited and has had commercial banking experience.

**CURRENT ECONOMIC CONDITIONS:** A review of the major factors which tend to influence Canadian economic developments indicates mixed trends in comparison with the two previous years, states the Canadian Statistical Review.

The index of industrial production in September this year stood at 187.1 as compared with 184.1 for September, 1948 and 174.9 for September, 1947. The index for non-durable manufactures production was 185.3, an all-time high as compared with 181.1 and 173.0 for September of the two earlier years, while that for durable manufactures was 216.7 in September of this year, down from the 219.5 figure reached in September, 1948, but above the 210.1 figure for September, 1947. (These seasonally-adjusted indexes are on a base 1935-39=100).

Railway revenue freight loadings for September were estimated at 9,968,000 tons, 7.6 per cent below the 10,787,000 tons loaded in September, 1948, and 0.2 per cent below the September, 1947 figure of 9,983,000 tons. The number of freight cars loaded with revenue freight in September of each of the three years was 363,000 cars (1949); 378,000 (1948); and 352,000 (1947).

The general wholesale price index last September was 155.4 compared with 158.4 in September a year ago and 134.0 two years earlier. This index has now declined steadily but slowly since a high of 159.6 was reached in December of 1948. The wholesale price index of Canadian farm products was 145.7 as compared with 149.7 and 133.5 in the two preceding years. The fluctuations of this index have recently been irregular since it dropped to 145.1 in February of this year and then reached 150.9 in July before again turning downwards.

Despite these drops in wholesale indexes the cost-of-living index has shown year to year increases since it stood at 139.4 in September, 1947, moved to 158.9 in September, 1948 and to 162.3 in September of this year. The October figure for this index was practically unchanged at 162.2.

**MR. GARDINER'S ADDRESS AT FAO CONFERENCE**

**INTERNATIONAL COMMODITY AGENCY:** The following is the text of the concluding portion of the address of the Minister of Agriculture, Mr. Gardiner, before Commission I, Fifth Session FAO Conference, Washington, on November 24:

"Canada is prepared to give serious consideration to any international action designed to attain production and distribution of food. From this point of view we are interested in the proposal advanced by the Director-General for an International Commodity Clearing House. While endorsing the principle underlying this proposal we are not in agreement with the means which, it has been suggested, are necessary to reach the objectives. In this connection we may appear to agree with what has been said by the United Kingdom and United States representatives.

"Any transactions developed under the short term trading functions will be subject to concurrence by the governments concerned, and the major details of such transactions will also be subject to agreement by governments. This being the case it hardly seems necessary to have an international agency actually buying and selling in commodity markets. It may even be questioned whether such activity in commodity markets by an international agency is desirable. It seems to us, therefore, that the question of the creation of a large capital fund for such a purpose is not necessarily an issue.

**LONG-RUN DEVELOPMENT**

"We can see considerable merit, as a long-run development, in the proposal that stocks of food should be held against shortage situations which experience has shown will develop.

"Lord Boyd Orr, in presenting his proposal for a World Food Board, had in mind the fact that the world had surpluses during certain periods and extreme shortages in other periods. It was his purpose to stabilize returns to producers and costs to consumers by setting aside surplus quantities in good years for periods of shortages. As has been pointed out in other Conferences, however, national governments can, and do, perform this function and we do not see that stocks held by an international agency will, in the short run, contribute to any improvement in the present situation. Canada, for example, has provided for the holding of stocks of wheat under government control. Moreover, it is probably consistent with other developments to envision the long-term holding of stocks as an element

in an overall commodity agreement.

"We are inclined to agree that an international agency might well perform a useful function by keeping the supply and requirements for food constantly under review, and by exploring the possibility of facilitating adjustments between countries having food available for export and those where shortages are a problem, and finally by bringing together groups of governments of such countries to promote the orderly disposal and effective utilization of commodities which appear to be accumulating in exporting countries.

"In suggesting the above functions for a co-operative agency it is realized that other means may be found to achieve the desired objectives. However, no matter what type of agency is evolved it will have to take cognizance of a responsibility referred to in the preamble to the Director-General's recommendation about an International Commodity Clearing House. The Director-General's Report on World Commodity Problems points out the necessity for the agency to conduct its transactions so as to supplement and support, but not compete with or replace, the normal channels of trading enterprise.

"This would have particular application in cases where exporting countries, because of the inconvertibility of currencies or for other reasons, may find it expedient to dispose of surpluses in countries to which they would not otherwise export such quantities. It is obvious under such conditions, and lacking any co-operative international action, that such methods of disposal might easily result in other exporting countries losing commercial markets.

"Unless the proposed international agency, with the co-operation of the governments concerned, could direct the disposal of any substantial surpluses which may arise in a way that would avoid this kind of development, then the effort of other exporting countries to maintain production levels in keeping with natural demand would be jeopardized and far-reaching effects might result throughout the entire food and agriculture economy of the world.

"In conclusion, we in Canada agree with the United States and the United Kingdom that suggestions should be considered by a Working Committee. The Canadian delegation will co-operate in every possible way on such a Committee. We hope that out of this Conference will come a suggestion that we can all agree on."