

something between a quarter and a third of our total national income. Incidentally, I may add that your industry is one which makes a very important contribution to that trade. Exports of wood, wood products and paper—that is to say, including all branches of the forest products industry—represent the largest single category in the published statistics and amounted to \$886 million during the year 1947 or 32% of our total exports of Canadian produce.

PECULIAR PATTERN OF TRADE

Our interest in a prosperous world, however, arises not solely from the huge size of our external trade but also from the peculiar pattern of that trade. As everyone knows, we do not buy largely from the countries to which we sell most and we do not sell largely to the countries from which we buy most. This is the "so-called" triangular pattern of our external trade to which reference is so often made. Canada therefore does not fit into either the dollar group of countries or the non-dollar group of countries. To make the best use of our resources we are bound to sell more to overseas countries than we buy from them and to buy more from the United States than we sell to that country. It is therefore essential for our national well-being that we should be able to convert the currencies derived from our overseas surplus into United States dollars. Convertibility will only come, however, when the overseas countries whose economies were restored, impaired as a result of the war have restored their output and their productivity to the point where they can balance their international accounts out of their own exports and other foreign earnings.

The chief purpose of our contribution has therefore been to enable our overseas customers to resume mutually profitable trade with us on a cash basis. We had hoped that before now there would have been a sufficient measure of recovery to enable European countries to export enough goods to ease their dollar shortage. Unfortunately, due to a considerable extent to the unprecedentedly bad winter of 1946-47, the serious crop failure in Europe last summer, and, to put it mildly, the unco-operative attitude of Russia, these hopes have been disappointed. Instead the dollar shortage has grown progressively more acute and has spread to practically the whole world, including Canada. But we need not take a pessimistic view of the outlook for European recovery. Recent unfavorable developments mask a considerable measure of real progress towards high levels of production.

We may take heart also from the enlightened and far-reaching European Recovery Plan which the United States Government has evolved, and which is now before the Congress for consideration. The details of the Plan may be modified, and time may elapse before Europe will begin to benefit from its operations. But

it is now generally believed that the Plan in some form will be accepted by Congress. It would not be appropriate for me to indicate at this time how Canada will fit into this European Recovery Plan. It does seem to me, however, that the position is something like this. Europe needs goods. Someone must produce them and someone must pay the producers. Canada can supply large quantities of the most essential goods, like wheat and other foodstuffs, metals, lumber and machinery. In the past we have done our full share in helping our European customers to pay for these requirements which are essential to their reconstruction. On the basis of this past record, I am confident that we will be prepared to continue to help within our capacity to do so. However, we have now our own dollar problem and consequently there are very real and immediate limitations upon the financial assistance which we can provide. If we go too far, we will find ourselves unable to pay for the things we must have from the United States to keep our economy running in order to supply our own needs and to produce the things that Europe must have from this country. One thing is clear, Canada will play an important role in the European Recovery Programme as a major source of supply of essential foodstuffs, materials and equipment. Beyond that our assistance in one way or another must inevitably be limited by our capacity.

FORWARD-LOOKING POLICY

In our international dealings we have followed a courageous, forward-looking policy. In my judgment that policy will pay dividends. We ourselves are now facing difficulties as a result of the well-nigh universal shortage of dollars, but we have taken vigorous steps to solve these difficulties. Some of our new measures are restrictive and none of us wish to see them in operation a day longer than necessary. But the emphasis in our programme is upon its constructive aspects, upon the long run measures we are taking to increase our exchange reserves by developing here a more vigorous and dynamic economy, and by increasing our exports to the dollar area. I am happy to say that the programme which was put into effect only a little over two months ago is already beginning to be effective. As I explained to the House of Commons the other day, we had expected our reserves to fall from the level of about \$500 million at which they stood at the middle of November to something like \$400 million. Instead, they dropped to a low point of \$461 million on December 17th and have since been rising. On January 29th they amounted to approximately \$514 million. While we know that one swallow does not make a summer and while we expect to see fluctuations in these reserves, nevertheless the early financial results of the programme have been distinctly encouraging. Even more encouraging, I believe has been the co-operation received

from the business community. My colleague, the Minister of Reconstruction and Supply, and I have already seen many instances of the willingness and capacity of Canadian businesses to adapt themselves to new situations and in particular their ability to find outlets for their products in the United States and other dollar countries.

With this spirit of co-operation, with this adaptability on the part of Canadian business, we can shorten the period during which the restrictions have to remain in effect. Given time, I am confident that we will be able to build an economy which will make the maximum, efficient use of our resources and be less subject than in the past to the dangers of the triangular pattern of trade to which I have referred.

BOMB DISPOSAL BUREAUX

DANGER OF WAR SOUVENIRS: Bomb disposal bureaux for the collection and disposal of dangerous war souvenirs have been formed and put into operation at both Eastern and Prairie Commands, Army Headquarters announce. The move is an effort on the part of the Army to reduce the number of serious personal injuries to civilians resulting from the explosion of supposedly "safe" trophies brought back from overseas, many of which are still definitely dangerous.

In Winnipeg, an NCO of the Royal Canadian Engineers Administration and Training staff, thoroughly experienced in the handling of explosives, answers all calls for assistance. His telephone number for use by day and the telephone number of the Fort Osborne duty officer for night have been published in the Winnipeg papers, together with a write-up of the functions of the bureau and pictures of common types of grenades and mortar bombs. Since the organization of the bureau, there have been a number of calls for souvenirs who were harbouring dangerous war souvenirs.

In Eastern Command, similar bureaux have been formed in Halifax, N.S., Fredericton, N.B., and Charlottetown, P.E.I., and are staffed and ready at all times to handle calls from the public. The names, addresses and telephone numbers of personnel operating these bureaux have been published in Maritime newspapers and the public advised to make full use of the service.

Many soldiers brought back souvenirs from overseas that are still dangerous and likely to explode, causing serious accidents. It is not the intention of military officials to frighten people, but it has come to their attention that many apparently harmless-looking grenades and bombs are in the hands of civilians and endangering their lives. Serious injuries have been caused through children playing with them.

It is felt that these bomb disposal bureaux

are an essential service to the public and present plans are to establish them in all service commands across Canada.

WARTIME BRIDGE FOR SALE: Component parts, accessories and erecting equipment for a sectional, floating bridge used in the wartime training of Canadian army engineers, is for disposal of War Assets Corporation through the Vancouver Branch Sales office at Sea Island.

Known as the Inglis Mk. III (Army), the bridge was built in Canada according to English specifications; it is manufactured in 12 feet sections easily adapted to wide and narrow streams. Of tubular steel design with interlocking parts, the bridge has a length of 120 feet, being the maximum practical to withstand pressure from heavy currents and ice. A truck or car can comfortably cross the 12-foot roadway; the 25-foot overall width provides for a pedestrian walk on each side. Record time for erecting the bridge is said to be 24 hours; when completed load capacity is 12 tons.

MINISTER TO CUBA: The Secretary of State for External Affairs has announced the appointment of Charles P. Hébert as Canadian Minister in Cuba. He succeeds Emile Vaillancourt who was appointed Canadian Minister in Yugoslavia. Mr. Hébert recently returned from Havana where he was Canadian Delegate to the International Trade and Employment Organization Conference.

Mr. Hébert was educated at Mount St. Louis Collegiate and at McGill University, Montreal, and New College, Oxford. He was a member of the Canadian Tariff Board and a Commissioner on the Trade and Industry Commission. He was later on the staff of Wartime Prices and Trade Board.

During the War he served as an officer in the Fusiliers Mont Royal in Iceland, the United Kingdom, Sicily, Italy and Northwest Europe. He was appointed Military Attaché to the Canadian Missions in Brussels and The Hague. After his return to Canada he was appointed Counsellor at the Canadian Embassy in Washington, and later was in the Economic Division of the Department of External Affairs. Mr. Hébert is married.

He will proceed to his new post at the end of February.

RAILWAY REVENUES: Operating revenues of the principal Canadian railways were \$66,595,241 in November, an increase of nearly \$1,804,000 or 2.8 per cent over the same month of 1946. Improvement in freight revenues at \$53,523,403 compared with \$51,291,608 accounted for the advance, while passenger revenues were off \$845,742 or 12.8 per cent from November 1946 at \$5,784,574. Freight revenue was the largest earned in November.