

Pyrite as a substitute for sulphur holds great possibilities for Canadian mining, but it will be very difficult to develop without some flexibility of policy as regards freight rates. It is believed that lower rates would enable increased tonnage to be shipped and would be beneficial both to the producer and the railway.

Increased freight rates on such products as zinc concentrates and copper concentrates—heavy bulk products—also have a very adverse effect upon the production of these metals.

I would like to make one additional comment there. The difficulty is multiplied as ore bodies are mined in remoter parts, adding therefore to the haul.

This is a problem that certainly cannot be overlooked if Canadian producers are to maintain a competitive position on world markets.

General Government Policy in a Period of Transition: During the period of emergency through which we have been passing for the last two and a half years, governments engaged in stockpiling programmes have been large purchasers of metals and minerals, many of which have been subject to international allocation.

From this period we are now emerging and are returning to more normal methods and channels of trade.

The success of the transition will be greatly facilitated if the policies of governments are kept as stable as possible, and if they avoid, as far as is in their power, sudden changes in any respects which affect the flow of trade or unduly influence the level and trend of prices.

Fundamental Conditions of Multilateral Trade—Apart from particular obstacles which impede the flow of trade between nations such as arise from tariff policies and other forms of restrictive practice, there are certain fundamental conditions which have to be achieved and maintained to assure stability of international commerce.

In particular currencies must remain reasonably stable, convertibility of currencies must be achieved and assured, and national treasuries must have adequate reserves to settle international trade balances.

During the post-war years, trade between the North American countries and the countries of Western Europe has been largely sustained by means of dollar loans and aid programmes.

Between the years 1948 and 1952, for example, metals and minerals of Canadian origin to the value of \$604 million were made available to European countries under the European Recovery Program. These were paid for by U.S. dollars, authorized through the Economic Co-operation Administration and the Mutual Security Agency.

The crux of the present situation is to devise means of setting multilateral trade on a firmer and more permanent foundation, to enable all countries to pay their own way and turn "Trade not Aid" from a slogan to a reality.

Stable Currency Relationships—The importance of stable currency relationships cannot be over-emphasized for any trading nation. The recognition of this fact led to the establishment of such international bodies as the International Monetary Fund. Whatever the shortcomings of that organization have proved to be, it represents an attempt to achieve and maintain balanced currency relationships and to provide for an orderly method of making such adjustments as become from time to time necessary.

Some freedom and flexibility are certainly desirable; and the Canadian Government has been widely commended by setting a bold example and "freeing" the Canadian dollar. The circumstances in which it did so were favourable. The subsequent climb of the Canadian dollar to a premium position over the United States dollar has testified to the general strength of our