

GOVERNMENT



OF CANADA

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Mr. Howe Predicts Glowing Future For Canada: Vancouver, January 29 (CP) -- The Minister of Trade and Commerce, Mr. Howe, tonight predicted a glowing future for Canada's industry, even after the Western World's rearmament drive is over the hump. The Canadian productive machine, he said in a speech prepared for delivery before the Vancouver Board of Trade 65th annual meeting, "is expanding and being improved as never before in history."

"And I venture to suggest that never before has investment been directed along lines which hold promise of greater returns in terms of the things Canada and the world needs for a better life and for greater security."

By any test, said Mr. Howe, "Canada is doing well at the beginning of 1952. And yet I believe there are greater things in store for this country. In a sense we have yet to reap the fruits of our efforts." The economy was straining to produce all the demand of investment, defence and civilian needs. There were various restrictions imposed to keep competing demands from interfering with one another. But eventually, predicted Mr. Howe, "and I hope in the not-too-distant future, we, and our allies of the North Atlantic Treaty Organization, will have surmounted the hump of preparedness. In due course, too, the facilities now being created by the enormous investment programme will result in greater output."

Among indications, that Canada would maintain economic strength in the years ahead, he said, were:

1. New defence production in Canada was being geared to produce not only purely military but commercial items as well. This means that plants can be quickly converted to civilian production once defence production needs are over.
2. Canada during 1951 had plowed back into future development of natural resources no less than one-fifth of all she produced that year.
3. Canada during 1951 showed she could hold her own in world markets, by exporting \$4,000,000,000 worth of goods, the highest figure on record and \$800,000,000 higher than 1950.
4. The deficit in foreign commodity trade--\$122,000,000--in 1951 was not to be taken as any basic weakness in the Canadian economy.

How U.K. Import Cuts May Affect Canada: Ottawa, January 29 (CP) -- New austerity import slashes announced by the United Kingdom may clip the edge from Canadian exports, but the bulk of the essential shipments likely will go untouched, Canadian trade officials said today. They added that Canada wants more of Commonwealth sterling-area products, such as citrus juices, coffee, bananas, rice and copra. More dollars could be added to Britain's treasury if more of these goods could be provided.

"Canada," they said, "will show continuing sympathy with the need for assisting in all possible ways the drive by Britain to boost exports." Meanwhile, there was expectation that the U.K. import programme, announced in London, may cut into Canada's \$13,000,000 tobacco market in Britain. Canada shipped about 35,000,000 pounds of flue-cured tobacco to the U.K. in 1951, but for some time there has been doubt that Britain would be able to find sufficient dollars to renew imports in 1952.

There also is little likelihood that she would buy any Canadian apples or bacon. However, there was some hope that she may be able to negotiate a new cheese contract with Canadian producers in the spring and continue to buy wheat, flour and such essential materials as copper, zinc, lead and aluminum.