

previously undertaken. For this purpose we may well need new and different bodies. Countries participating in these bodies will have to be chosen for functional as well as geographical reasons. It seemed to me there was a creative idea in Prince Wan's suggestion that the Disarmament Commission might remain a consultative body with sub-committees composed for purposes of negotiation, in accordance with the function to be performed. These are questions which must be considered urgently, whether in accordance with the interesting suggestion made by the Foreign Minister of Mexico, or in some other way. We are not ourselves disposed to let old forms and traditional attitudes stand in the way of new measures to suit the times.

As for the Soviet resolution on the diversion of expenditures from defence to economic assistance, I shall be brief. The basic conception is an admirable one which we have been advocating for years. There seems to be widespread doubt, however, whether in its present form it is intended to be taken seriously. The underdeveloped countries have had little enough from the Soviet Union except tracts and bad advice. We are pleased that somewhat belatedly the Soviet Union has begun to supplement this kind of intervention with economic and technical assistance, although it has been notably reluctant to divert much of this through even-handed agencies like the United Nations or other non-partisan organizations. It seems to me that it is incumbent upon the

### ECONOMIC OUTLOOK

An optimistic view on business prospects in the year ahead was expressed by Mr. George Hees, Minister of Transport, in a speech to the Brantford Board of Trade on October 22.

Mr. Hees said in part:

"Export business, upon which we are so dependent as a large exporting nation, should steadily improve, as recovery continues in the United States, the United Kingdom, and other sterling area countries. As recovery proceeds in these larger trading countries, it is bound to have its effect upon the economy of other nations, and this, in turn, should increase demand for Canadian products....

"Other factors making for improvement in the domestic economy are the continuing high level of personal incomes and personal savings in Canada....

"This year, the retained incomes of Canadians are approximately 7 per cent higher than for the same period a year ago. This means that Canadians, with their determination to acquire the highest possible standard of living, present a potential domestic market for Canadian suppliers.

"The levelling off in inventory trimming now evident, and the anticipated increase in demand for goods and materials, which follow

Soviet Union to begin correcting the enormous disproportion between its defence expenditures and its meagre contributions to needy countries outside its orbit, before calling on other countries with far better records to do likewise.

Mr. Chairman, there are always sound grounds for discouragement about the progress of disarmament. This debate has itself produced good cause for anxieties. Nevertheless I still believe, as I said in my opening statement in the plenary session, that there are hopeful prospects. The reason I believe prospects are somewhat better than they have been is that we are coming closer to reality than we have in the past. Too often our debates on disarmament in this and other bodies have seemed more like the bandying of fine phrases and a contest for favourable repute, rather than an effort to adjust the gross facts of international life in the direction of disarmament. For this reason I have confined my remarks today to what seem to me to be the concrete issues facing us right now rather than Utopian visions, which have their rightful place in our thinking, but which have too often beguiled us from getting down to business.

As I have said, it is not unrealistic even to be optimistic about the trend of this debate. The Canadian Government, for its part, welcomes the fact that in spite of obvious differences there is a wide measure of basic agreement among us.

improvement in conditions both at home and abroad, give us every reason to believe that the present upswing in the Canadian economy is broadly based....

"...There is one overall factor which we must never ignore, and which augurs well for the future of Canada. We are a young nation, endowed with an abundance of natural resources, and a virile people who are qualified to utilize those resources in the interest of this nation and its people.

"The natural resources which we possess will be required in the not distant future, not only to supply demand in other freedom-loving nations, less richly endowed than we are, but also will be needed to meet the requirements of a rapidly expanding industrialization in our own country."

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### PIPE LINE COMPLETED

Natural gas began to flow, on October 23, from Alberta to Toronto, Montreal, Ottawa and intervening cities. The Board of Transport Commissioners issued orders on October 22 permitting the opening of the final portion of Trans-Canada Pipelines Limited. Construction of the 2,294-mile line began in July, 1956, at a cost of \$375 million.