

## THE MINISTER OF TRADE ON E.R.P.

**H.M.C.S. "ATHABASKAN":** H.M.C.S. "Athabaskan", latest of the Tribal class destroyers built at Halifax for the Royal Canadian Navy, will sail from Halifax May 19 for her future operational base at Esquimalt, B.C., it was announced at Naval Service Headquarters.

The destroyer's ports of call will include Guantanamo, Cuba; Montego Bay, Jamaica; the Canal Zone; Acapulco and Manzanillo, Mexico, and San Pedro, California. She is due to arrive at Esquimalt June 29.

Carrying a nucleus of key R.C.N. personnel, "Athabaskan" will draw the remainder of her cruise complement from the naval reserve including members of the University Naval Training Divisions. Approximately 10 officers and 40 men from naval divisions across Canada and 43 U.N.T.D. officer candidates will get in six solid weeks of shipboard training on the trip from Halifax to Esquimalt.

Commissioned January 20 under the command of Commander J.S. Davis, R.C.N., of Oakville, Ontario, "Athabaskan" has been carrying out trials and completing her fitting out at Halifax.

At the west coast she will join her sister-ship, H.M.C.S. "Cayuga," which arrived at Esquimalt March 23 from Halifax.

**PATENT AGREEMENT:** The Department of External Affairs and the French Embassy have announced that an Agreement, concerning patent problems arising as a result of the war, was signed May 5 in Ottawa by His Excellency Francisque Gay, Ambassador of France, and Mr. L.B. Pearson, Under-Secretary of State for External Affairs.

By this Agreement, provision is made by France for accepting from Canadian citizens patent applications delayed by the war in exchange for similar privileges granted by Canada in Section 28A of the Canadian Patent Act as amended in 1947.

The negotiations took place in Ottawa between representatives of the interested departments of each Government. Canada was represented by officials of the Patent and Copyright Office and the Department of External Affairs, while officers of the French Embassy, Mr. Mathon, Director of Industrial Property in Paris, and Mr. Legendre of the French Ministry of Foreign Affairs represented France.

**OFFICER TRAINING:** This summer a number of COTC officer cadets of the Royal Canadian Engineers, Medical Corps and Dental Corps, from universities across Canada, will take the third practical phase of their training with Active Force units and establishments and at military hospitals rather than at corps schools, Army Headquarters announced May 10.

Eleven RCE officer cadets, representing the universities of Manitoba, Saskatchewan, McGill, Toronto and Montreal, will be given 16 weeks practical employment in Prairie Command, Fort

Churchill, Petawawa Military Camp and on the Northwest Highway System.

Forty-nine Medical Corps officer cadets, representing 10 Canadian universities, will be posted to military hospitals across the country. Dental Corps cadets selected for this type of practical training number approximately 22, and will be posted to the Royal Canadian Navy and Air Force as well as to army establishments.

**AGREEMENT WITH U.S.:** The Department of External Affairs has announced that the United States and Canada concluded on April 30, 1948, an agreement to provide for co-operation in certain aspects of the shellfish industry of the two countries. The agreement, in the form of an Exchange of Notes, is the result of discussions between the United States Public Health Service and the Canadian Department of National Health and Welfare.

**RAIL REVENUES:** Canadian railways reported operating revenues of \$59,713,347 in February, a gain of 11.8 per cent or \$6,311,113 over the same month of 1947 and approached the all-time high for the month of \$59,740,057 registered in 1944. Freight revenues were up 14.1 per cent at \$47,975,203 but passenger revenues declined 2.8 per cent from February, 1947. Operating expenses continued to increase at \$58,627,272, up 12 per cent or \$6,278,100 with all accounts heavier and operating income consequently declined from a debit of \$1,341,144 to one of \$1,874,706 with taxes up \$512,000 over February of 1947.

Tons of revenue freight carried set a new peacetime record at 12,627,953 tons, up 10.1 per cent over the same month of 1947 while ton mileage increased 18.3 per cent. Passengers carried were down 225,117 or seven per cent despite the extra day in February this year at 2,953,757, but the average length of journey was unchanged at 76 miles. The number of employees was down fractionally with 173,566 receiving a total payroll of \$33,939,658, a 3.0 per cent increase over February, 1947.

**RETAIL SALES:** Dollar volume of retail trade in March was nine per cent higher than in the corresponding month last year, according to the Dominion Bureau of Statistics. The influence of Easter buying was an appreciable factor in a 23 per cent gain over February. Sales averaged 11 per cent greater in the first quarter of 1948 compared with the same period of last year. Unadjusted indexes, on the base, 1935-39=100, stood at 244.2 for March, 198.5 for February and 223.3 for March, 1947.

Variety stores have registered a rapidly increasing patronage in the past several months, and sales increases for these outlets have been quite prominent.

**MILESTONE TOWARD IMPROVEMENT:** "I am optimistic in that I believe that, with the co-operation and understanding of responsible men in business, labour and government in the western democracies, E.R.P. will be a milestone towards improved economic conditions, and better understanding among the nations of the world," said Right Hon. C.D. Howe in addressing the Montreal Rotary Club May 11 on, "Canada and the European Recovery Programme." Excerpts from Mr. Howe's address follow:-

"A consideration of the background to the Economic Cooperation Act should make it abundantly clear that the object of the whole programme is the reconstruction and rehabilitation of Western Europe so that it may again become self-supporting and once more occupy a key position in the world trading structure. It follows, therefore, that the goods which are sent to Europe under E.C.A. must be confined to those categories which will make the maximum contribution to European recovery. Let no one assume that Europe will be a dumping ground for any less essential surpluses which develop. It is surely obvious that an outlay on such commodities would be quite contrary to the whole spirit and purpose of the Economic Cooperation Act. If we did not confine ourselves to absolute essentials, not only would the recovery of Europe be delayed, but Canada would be failing in her responsibilities.

## PATTERNS OF TRADE

"The fundamental necessity of the European countries doing everything possible to help themselves must inevitably involve various readjustments in the patterns of trade. The Western European countries have, for example, pledged themselves to expand intra-European trade by the reduction of tariffs and other obstacles to international commerce, to stabilize their individual economies, and to promote the production of those commodities which are most conducive to their rehabilitation and future prosperity. In such circumstances, it is possible that some of the traditional markets for certain of our basic commodities may suffer, and we must, therefore, be prepared to make readjustments. This will call for the understanding and cooperation of responsible men in business, labour and in government.

"Let us be clear. European recovery will involve sacrifices. We, as individuals, will be called upon to give up some of the goods which we might otherwise have enjoyed. We, as producers, must be prepared to adjust our patterns of output to meet the exigencies of a rapidly changing world."

"The European Recovery Programme means that we in Canada will be enabled to continue supplying Britain and Western Europe with the food, raw materials, and manufactured goods so essential to the basic reconstruction of

the production and trade of these important areas. This will of course contribute to the maintenance of a high level of employment and income in many parts of this country.

"Had there been no United States provision of aid to Europe, we in Canada would have been compelled to curtail our exports to that area, involving sacrifices and painful adjustments in large sections of this country. Imports from the United States would have had to be controlled much more stringently than at present, and, as a necessary part of such restrictions, the levels of investment could not have been allowed to approach anything like the current boom position. In short, we will be enabled through the funds under the Economic Cooperation Act to carry on our export trade in roughly the same volume and nature as before - avoiding a radical re-orientation of our productive system - and to maintain higher levels of investment and income than would otherwise be possible."

## PRIORITIES SYSTEM

"The European Recovery Programme and the measures which will have to be taken by the United States and ourselves in connection with it will aid production and exports of many Canadian industries. It will, however, not help suppliers of some goods and services. One of the basic principles of E.R.P. is that the European countries should, where possible, help one another, or purchase from other soft currency areas, rather than call upon the Western Hemisphere for support during the period of reconstruction. There is also the principle laid down in the Economic Cooperation Act to the effect that fifty per cent of the goods leaving the United States under the programme must be carried in American bottoms. This principle, coupled with the existence of a large tonnage of available shipping in the hands of the European countries, will inevitably create difficulties for our own shipping interests. It may also be the case, that the European countries in establishing a rigid system of priorities, may not place some types of meat and fish high on the list of imports. Other markets may therefore have to be sought for such products. The same thing may apply to various types of manufactured goods of a specialized type. Great efforts cannot be made without sacrifices and adjustments.

"I believe that I am expressing the considered view of the vast majority of the Canadian people, when I state that the sacrifices entailed in the restriction of our consumption levels and in the readjustments required of some Canadian producers are justified if they contribute to the rehabilitation of Western Europe and the strengthening of democracy in the world. A healthy European economy, as I have already stressed, would mean a continuing and paying market for many of our traditional exports."