

URGES CO-ORDINATION OF NATIONAL POLICIES

MR. HOWE'S BOSTON ADDRESS: The following is the partial text of the address on, "Joint Resources and Common Purposes," delivered by the Minister of Trade and Commerce, Mr. Howe, to the Boston Conference on Distribution, on October 16:

"....It will take more than guns and ammunition to stop the rising tide of Communism. Russia has always said that the countries of the Western world will eventually collapse from economic rather than military weakness. That is what the men in the Kremlin may be counting on in the present situation. It is possible that they may try to draw us out on more than one front in the hope that we may expend our energies and dissipate our resources to our own economic undoing. That is why we must keep our economy strong if we are to beat the enemy at his own game. It is not enough for us to strengthen our military defences at this time. Such action will help to prevent the outbreak of general war, but we will have to do more than that if we are to win the peace. Economic preparedness must go hand in hand with military preparedness. In the months that lie ahead, we must move strongly and surely in a collective effort to strengthen our defences and co-ordinate our activities on the military front. At the same time we must carry on with our long-range programmes for greater economic and social stability which, in the final analysis, can be the only firm basis for peace.

- WINNING THE ECONOMIC WAR

"The task of winning the economic war will not be an easy one. If we are to maintain and develop our strength on the economic front we will have to dovetail military requirements with essential civilian needs as effectively as possible and at the same time avoid undue hardship in any one sector of the community. We will have to divert some of our productive facilities and expand others to meet our national and international commitments. We must make full use of our industrial potential by using our resources of materials and labour and capital equipment as efficiently as possible. In carrying out this programme, we must keep strains and dislocations within the economy at a minimum. We will have to try and keep inflationary tendencies from getting out of hand. We will have to avoid excessive rises in costs and prices and wages. We will have to solve problems of transportation and distribution as well as those of production. And in doing all this we must keep the nation financially sound.

"....We are now in a period which is neither total war nor total peace, but a little of both. In such a period we can have neither the regimentation nor the full control that we associate with a state of war; nor can we have the degree of freedom that is possible under a

peacetime regime. It, therefore, becomes the responsibility of all of us as individuals and as responsible officials in business and industry to do everything we can to prevent undue waste, to avoid hoarding, and to use our resources and energies as efficiently as possible. It becomes the responsibility of governments to co-ordinate national policies to take care of both civilian and military needs without jeopardizing our economic future."

Mr. Howe said he thought the best way Canada and the United States could minimize present difficulties was "by pooling our resources and extending the co-operation between our two countries to cover matters other than those of purely military significance."

He said:

VALUABLE NEW RESOURCES

"In Canada, we have lifted a corner of the overburden and glimpsed vast reserves of valuable new resources. We have drilled a few small holes in our earth and found great underground oceans of new energy. We have tried our hands and our skills at new works and found we could hold our own with any industrial nation. We have explored new scientific frontiers and opened up new vistas. As yet the potentialities of our future are only beginning to dawn on us and we are beginning to realize that if there are any limitations to our progress, it will not be of nature's but of man's own making.

"Canada, as you know, is a country richly endowed in natural resources and an important supplier of a large number of basic materials essential not only in war but also in peace. Not only can we supply large quantities of strategic metals, lumber, and foodstuffs, but in many respects our resources are complementary to those of the United States. Our northern half of the continent is rich in hydro-electric power; your half in coal and oil. In lumber we have an abundance of softwoods; you have the hardwoods. In other forest industries, in agriculture, and more recently in manufacturing, there is a similar broad balancing of resources and productive possibilities.

"But still more important from the standpoint of economic co-operation are the recently-discovered reserves of two highly essential commodities. I refer, of course, to the oil fields of Alberta and the iron ore deposits on the Quebec-Labrador border. Present rates of consumption for oil and iron are already high and the demand for both these products will rise sharply as defence production plans get into full swing. The advantages of alternate sources of supply for Texas oil and Mesabi iron right here within our own continent are only too obvious in times like these when strategic considerations are of the utmost importance....

"Canada emerged from the last war with greater managerial skill and with a better-