

(C.W.B. November 4, 1949)

**MR. ABBOTT ON TRADE:** In addressing the Canadian Importers and Traders Association in Toronto, on October 28, the Minister of Finance, Mr. Abbott, concluded in part as follows.

"...The ultimate solution of the Canadian problem, and for that matter the world problem, must be in expanding trade, in lowering trade barriers, and eliminating arbitrary restrictions and discriminatory practices.

"Our policy of attempting to achieve a better balance in the structure of our trade by positive methods is producing results. The gap in our merchandise trade with the United States which in 1947 was \$920 million, in 1948 was reduced to \$284 million. Although there has been some reversal in 1949, the situation remains greatly improved. To some extent this improvement was achieved by temporary import restrictions, but to a much greater extent this was achieved by a very substantial increase in our export to the United States. In 1947 the gap in our merchandise trade with the United Kingdom was \$565 million. In 1948 this was reduced to \$390 million and the first 8 months of 1949 shows a further decline in this gap. While to some extent this was achieved by some curtailment in the United Kingdom imports from Canada, to a greater extent it was achieved by an expansion of British exports to Canada.

#### "NEAT BILATERAL BALANCES"

"More will have to be done but at the same time I don't believe that neat bilateral balances with individual countries are either realistic or desirable. Attempts to strike perfect balances must inevitably limit international specialization and depress trade in general. Regardless of how successful we may be in narrowing our wide bilateral trade gaps, the Canadian economy will inevitably remain dependent not only on a high level of trade, but also on a multilateral system of trade and settlement. This basic position is unavoidably a consequence of our industrial structure, geographical position and natural resources.

"In short, then, our purpose should be to achieve a relative increase in our imports from the sterling area and other soft currency countries, and at the same time seek to expand our exports to the United States and other dollar countries. The action recently taken by the Government to adjust the par value of the Canadian dollar by 10 per cent in relation to the United States dollar is fully consistent with these objectives. Firstly, it should improve the competitive position of our exports to the United States and other dollar markets. At the same time it should ease somewhat the demand in Canada for the goods of these countries which have not modified the par values of their currencies. Then, the much greater devaluation of sterling and other soft currencies will make their goods relatively more attractive in Canada. This should help to

stimulate imports from overseas in the place of imports from dollar countries.

"Currency and exchange adjustments are important but they are not enough. It is necessary to make further progress in the international efforts to remove barriers to trade. You are familiar with the important role which Canada has played in the accomplishment of the Geneva agreements in 1947 and in the further agreements which were reached at Annecy during the past Summer. In my speech on the Budget a few days ago, I said that preparations are now in progress for a further set of tariff negotiations to be held in the Autumn of 1950. We will have an opportunity at that time to negotiate for further tariff concessions in the United States market, and also to review our customs tariff with a view to the adjustments which we can make that help to facilitate an increase in trade with our important customers overseas.

"In speaking of the work which is under way to improve our trading position, my remarks would not be complete without mention of the Third Canadian International Trade Fair which will be held in Toronto from May 29 to June 9 next year. Here is one practical way in which you, the importers, can work towards the achievement of a high and balanced trade. Exhibits at the Canadian Trade Fair have proved to be a very effective way of developing markets in Canada for overseas goods...."

**BRIG. CLARK'S APPOINTMENT:** Appointment of Brigadier S.F. Clark, CBE, as Canadian military representative on Atlantic Pact organization in the United Kingdom was announced on October 29 by the Minister of National Defence, Mr. Claxton.

Brig. Clark will head the Canadian Joint Staff in London and will represent the Canadian Chiefs of Staff on the Military Committee of the Western European group. He will be appointed in the acting rank of Major-General.

Major-General Clark, 40, was born in Winnipeg and attended the Universities of Manitoba and Saskatchewan.

He joined the Royal Canadian Corps of Signals in 1933 as a lieutenant. Just prior to 1939 he was instructing at the Royal Military College, but at the start of the Second World War was appointed Adjutant of 1st Canadian Corps Signals. Subsequently he became Lieutenant-Colonel, commanding the 5th Canadian Armoured Divisional Signals.

In August 1942 he was posted to Canadian Military Headquarters in London and from there proceeded to the Senior Staff College.

Following graduation from the Staff College, he was promoted to the rank of Colonel in May 1943 to become Chief Signals Officer, 2nd Canadian Corps. In November he was promoted to the rank of Brigadier. He served in this capacity throughout the remainder of the war, becoming Chief Signals Officer at Headquarters

Canadian Forces in the Netherlands in July 1945.

In September 1945 he returned to Canada to become Deputy Chief of the Canadian General Staff at Ottawa, and served in this capacity until his departure to the United Kingdom in December 1947 to attend the Imperial Defence College.

In September 1948 he was appointed as Canadian observer on the Military Committee of the Brussels Pact.

**NAVIGATION CLOSING:** Details and dates with respect to the closing of the 1949 navigation season for canal traffic were made known on October 28 by the Minister of Transport, Mr. Chevrier.

Weather and ice conditions permitting, the main route canals along the Montreal - Lake Superior water traffic route, will be kept open until the following dates:

Lachine, Soulages, Cornwall, Farrans Point, Rapide Plat and Galops Canals - close midnight, December 4.

Welland Ship Canal and Sault Ste. Marie Canal - close midnight, December 15.

The Director of Canal Services, Department of Transport, has issued a directive to the effect that no vessel will be allowed to enter, leave or navigate any of these canals after these dates.

**RETAIL SALES FINANCING:** Total financing of retail instalment sales in Canada by acceptance and sales finance companies was almost one-fifth greater in 1948 than in the preceding year, the overall increase being entirely due to a rise in the financing of consumers' goods. Balances outstanding at the end of the year showed an almost parallel rise.

Reports received by the Bureau of Statistics from 94 companies engaged in the purchase or discounting of notes receivable arising from retail instalment sales show total retail financing of \$208,166,000 in 1948. This total exceeds by 19.5 per cent the figure of \$174,190,000 reported by 91 companies in 1947. Balances outstanding at the end of the year were \$130,120,000 compared with \$106,631,000 at the end of 1947, a gain of 22 per cent.

These reports give an almost complete coverage of retail sales financing in Canada in these years. In 1941 -- the only other year for which complete tabulation has been made -- purchases of retail instalment paper were valued at \$100,277,000 and balances unpaid at the end of the year were \$64,674,000.

**WHOLESALE PRICE INDEX:** A gradual downward movement of wholesale prices, in evidence since the first of the year, and interrupted only in July, continued in September. The Bureau's general index, on the base 1926=100, stood at 155.4 as compared with 155.5 a month

earlier, and 158.4 a year ago. The index number of wholesale farm product prices was 145.7 as compared with 146.0 in August and 149.7 in September last year.

**GOLD PRODUCTION UP:** Canadian production of gold in August continued the gains of previous months this year over 1948. Output was advanced in all producing provinces and territories except British Columbia both in the month and first eight months of this year.

The month's production amounted to 359,100 fine ounces as compared with 326,300 in the preceding month and 305,500 in August last year. In the cumulative period, 2,648,200 fine ounces were produced as against 2,289,200 in the similar period last year.

**CANADA BOND SALES DOUBLED:** Bank of Canada officials took a look at the figures for Canada Savings Bonds sales on October 27, and said they just didn't believe them. They ordered up a new set but the results were just the same.

Thousands of purchases of \$50 and \$100 and \$200 amounts by Mr. and Mrs. Canada in this largest financial operation of the year were still adding up to more than twice the totals achieved at the same point in the previous campaign.

Up to Tuesday night, October 25, eight days of selling have brought total purchases from 264,130 employees through the payroll savings plan to the \$59,097,350 mark as compared to 135,832 payroll sales last year of \$27,868,950 for the same approximate period.

Added to the previous figures for sales to the general public, the latest available in this field, the grand total on October 27 stood at \$83,543,850 as compared to \$39,688,800 last year. The total number of individual purchases to this date this year is 309,004. Last year only 158,475 orders had been placed.

Quebec province is leading the rest of Canada with 65.3% of the total payroll savings sales last year already in the bag. Other regions show British Columbia close behind with 65.2%; Prairie provinces 61.2%; Ontario 54.1%; Maritimes 50.2%.

Many possible reasons for the sweeping increases were mentioned by Bank officials but they were not prepared to say which was really responsible. It was pointed out that employers were more enthusiastic than ever before and this might account for better coverage in plants. Employees were becoming more familiar with the advantages of Canada Savings Bonds. It was said that many were buying extra bonds with money saved through the reduction of income tax.

Whatever the reasons, reports from top companies across the country show that more than 500 have already exceeded all previous records, with the canvass of their employees still incomplete.