

MR. HOWE ON CANADA'S ECONOMIC OUTLOOK

SEES \$15 BILLION NATIONAL INCOME: Provided there are no work stoppages to slow down production, Canada's gross national income this year will probably reach an all-time high of more than \$15 billion, the Minister of Trade and Commerce, Right Hon. C.D. Howe, told the Industrial Development Board of Manitoba at Winnipeg on May 31.

Mr. Howe spoke in part as follows:--

"...The general economic outlook for Canada this year has been greatly improved by the successful culmination of E.R.P. discussions. Arrangements have been made to maintain our flow of major commodity exports to the U.K. There is every indication that a high level of exports will be maintained because of the American dollars that will now be available to Western Europe. Some changes in the type of exports we send to Europe may be necessary to fit in with the Recovery Programme or new markets may have to be found elsewhere for some of the goods we have been exporting to Western European countries. But with a few such adjustments in our export industries, production should continue at the 1947 level and will probably go higher.

STILL ON THE UPGRADE

"In fact, the current statistics of the D.B.S. index of industrial production indicate that we are still on the upgrade. The index for February 1st of this year was 182 compared with 176 last year and 100 for the pre-war period 1935-39. Although we are not yet up to the 199 index figure for 1944, expansion is continuing. In the investment field we should reach and possibly exceed the \$2.8 billion forecast by business and government at the beginning of the year. This would mean an investment peak higher than last year - in fact, the highest in our history. If E.R.P. had been shelved by the United States, we would have had to cut down on our current investment boom by much more stringent restrictions on our American imports. Because of E.R.P., we will continue to add to our capital assets and at the same time avoid any radical reorientation of our production facilities.

"In spite of some shortages in fuel, power, and certain basic materials such as steel and lumber, the national outlook for 1948 continues to be promising. Provided there are no work stoppages to slow down production, our gross national income this year will probably reach an all-time high of more than \$15 billion. This will be from \$1.5 to \$2 billion higher than last year and three times the 1939 figure.

"While the economic outlook for this year remains highly favourable, we must not lose sight of some longer-range considerations. E.R.P. is in itself only a temporary measure and the more successful it is, the sooner will the transfer of U.S. funds under E.C.A. come to an end. One of the advantages of E.R.P. is

that it gives us a breathing space in which to make some further adjustments in our economy to keep pace with a rapidly changing world.

"What do we want for Canada? We want high levels of income improved standards of living for the Canadian people, and jobs for everyone who wants to work. We want to maintain a steady flow of investment, make better use of our resources, and continue to diversify our industries. We want to build up world trade, and off-set some of the disturbing fluctuations we have experienced in the past.

"In order to introduce a greater measure of stability into our economy, we must learn to produce efficiently more of the goods we need, particularly those that will help to diversify our industrial production. During the war we produced economically a number of articles that had never been made in Canada before. There is every reason to believe that still more of our resources could be put to work. The existing trend toward greater diversification and increasing secondary production is one to be encouraged. The further processing of our natural resources may require the development of new basic manufactures. Too often in the past our secondary industries have imported parts from abroad and, with a minimum of further processing, assembled the finished product. The more parts and basic raw materials we can produce in Canada, the less our dependence on fluctuating external factors.

SECONDARY PRODUCTION

"The measures we are taking in our exchange conservation programme are designed to stimulate the trend toward increasing secondary production. Just recently there have been indications that this is the case. A number of American firms have indicated their intention of setting up plants in Canada to manufacture one or more of their products for their entire world market. Our wartime experience and expansion are attracting industry to Canada. The advantages of more favourable location in relation to certain markets, low-cost electricity, a good supply of raw materials, a more skilled labour force due to experience gained during the war, are all factors that will induce industrialists to put their "know-how" and technical efficiency to work in Canadian plants.

"As another long-range measure, we intend to use import restrictions on capital goods to channel imports into industries that are most useful to Canada's industrial growth. Import permits will be granted for goods needed to build up plants which, when producing, will save U.S. dollars by making articles that would otherwise have to be imported. Similarly, encouragement will be given to industries manufacturing products that can be sold in hard currency countries, and so earn more U.S. dollars...."

WAR PLANT FOR SALE: Another important wartime industrial plant, having completely served its purpose, is now being placed on the market by War Assets Corporation. Known as Project No. 43, situated at 8500 St. Lawrence Boulevard, Montreal, it was usually referred to as the Villeray Plant. Constructed for the former Allied War Supplies Corporation, it was operated by Defence Industries Limited and during the period of its activities produced large quantities of small arms ammunition for Bren guns and similar weapons.

The Villeray Plant consists of 129 separate structures covering an extensive area and it is the Crown's interest in these buildings with their normal plumbing, lighting and heating fixtures, as well as the steam, air, water and sewer lines on, above and below ground, which are being offered for disposal by the Corporation. The land is not being offered.

WELCOME FOR IMMIGRANTS: The Acting Minister of Mines and Resources, Honourable James A. MacKinnon, will go to Montreal to welcome, personally, United Kingdom immigrants arriving June 4th, by Trans-Canada Air Lines, under the Canadian Government Charter Air Service, it was announced June 2 in Ottawa. Accompanying Mr. MacKinnon will be Deputy Minister H.L. Keenleyside.

The Canadian Government Charter Air Service makes Canada the first country in the Commonwealth to initiate a Federal Government air immigration movement. Commenting on the provision of air transport facilities sufficient to bring 10,000 immigrants from the United Kingdom to Canada by the 31st March, 1949, Mr. MacKinnon said, "This new service has been the subject of long and careful planning on the part of the Canadian Government. Today, it is not enough for a country merely to open its doors. The sincerity of its welcome is put to the test by how well it provides opportunities for employment and also those public and community services which enable the immigrant to make a quick and happy adjustment to his new surroundings. This larger aspect of immigration remains constantly in the forefront of the Government's planning".

ADVISORY SERVICES

Arrangements have been made at Canadian Immigration offices in the United Kingdom, Mr. MacKinnon said, to provide intending immigrants with advisory services designed to give them practical advance knowledge of Canadian life. This service covers the provision of information on living conditions and employment in each province, wage rates, climate, social services, etc. Officers of the Department of Labour, stationed at each immigration office, will advise on prospects for employment and, wherever possible, arrange definite placement in Canadian jobs before the immigrant leaves the United Kingdom.

Special provision has been made to assist the families of air immigrants following by sea, as well as for the speedy checking and despatch of immigration baggage and personal effects from the United Kingdom and their quick clearances on arrival in Canada.

At both Montreal and Toronto airports, railroad representatives will be available to advise on travel reservations and rail connections. Where flights reach Montreal too late to make rail connection the same day, air passengers will be driven into Montreal where comfortable overnight accommodation has been provided. The same type of reception arrangements have also been made at Toronto.

ISLAND FOR SALE: Near the mouth of the Miramichi, famed New Brunswick salmon-fishing river, is an island which has been Dominion Government property, for the past 75 years. Now surplus to Government requirements it is being put on the market by War Assets Corporation.

The property is known as Middle Island, and is located about a mile and a quarter downstream and east of Chatham, on the busy and picturesque eastern shore of New Brunswick. It is about 11 acres in area, partly wooded.

Middle Island was purchased in January, 1873, by the Dominion Government from Hon. William Muirhead, of Chatham, as site for a quarantine station. Then, as now, deep sea ships entered the lower reaches of the Miramichi to load at Chatham, or neighboring Newcastle, and such a medical establishment was a necessity.

Hospital and other appropriate structures were erected and were in use for years. In 1936 the Department of National Health and Welfare gave up the hospital and turned over the site to the Department of Public Works. The buildings were recently sold by War Assets Corporation for demolition and removal of the materials, and only the island land, together with a wharf and right-of-way leading to the highway on the mainland, is included in the present offer.

RAILWAY WAGE DISPUTE: Honourable Humphrey Mitchell, Minister of Labour, announced June 1 at Welland that he has decided to reconvene two Conciliation Boards which he established earlier this year to deal with disputes between the major Canadian railways and various groups of their employees. Both Boards are under the Chairmanship of Mr. Justice J.C.A. Cameron, of the Exchequer Court of Canada, Ottawa.

COL. BROWNE'S RESIGNATION: Resignation of Col. P.L. Browne, M.C., of Ottawa and Montreal, Director of the Voluntary War Relief Division, Department of National Health and Welfare, was announced June 2 by Hon. Paul Martin.