

STATEMENTS AND SPEECHES



INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 48/27

CANADA AND THE EUROPEAN RECOVERY PROGRAMME

An address by Right Hon. C. D. Howe, Minister of Trade and Commerce, to the Montreal Rotary Club, May 11, 1948.

As a former active Rotarian and a present honorary member of the Port Arthur Rotary Club, I consider it a privilege to attend a meeting of the Rotary Club of Montreal as your speaker. I know from experience that, as business men, you expect a speaker to give you something of interest to business men, and I am patterning my remarks accordingly.

About one year ago, I spoke to a group of Montreal service clubs and attempted to analyse the business situation as it then appeared. I recall having said that the then situation warranted a course of cautious optimism. It seems to me that business prospects now warrant a continuation of that cautious optimism. However, two new elements have entered into the situation within the past year which have had and will have repercussions on the situation, and it is these two elements that I propose to discuss today: one, the dollar shortage, and the other, the European Recovery Programme. Both are bound to have an important influence on the business life of Montreal and of Quebec Province.

The great industries of the Province of Quebec, which are based on your vast resources of hydro-electric power, are Canada's most consistent earners of United States dollars. This province produces one half of our pulp and paper, all of our aluminum ingots, all of our asbestos, over one-fifth of our copper and substantial quantities of precious metals. All these products find ready markets in dollar areas. Exports of pulp and paper from all Canada formed nearly one half of the merchandise sales to the United States in 1947. With 65 million dollars planned to be invested in your forest industries this year, and a continuing high rate of investment in mineral production, with the re-opening of the Shawinigan Aluminum plant, an even higher proportion of United States dollars should be earned by Quebec in 1948. Quebec is also a mecca for tourists, again an important source of dollar income. All together, Quebec earns about 40% of our United States dollar income. Therefore, you have a special interest in Canada's dollar shortage situation.

During the past year, Montreal Harbour has handled over one-third of Canada's total cargo, an increase of ten percent over 1946. It is obvious that the prosperity of your City depends on the maintenance of a high level of export, especially to the traditional markets in the United Kingdom and Western Europe, as well as on a substantial return flow of trade.

It is now nearly a year ago since Secretary of State Marshall made his historic proposal at Harvard Commencement, of the European Recovery Programme, which has resulted in the United States Congress passing the "Economic Cooperation Act of 1948", on April 3 last.

The significance of the Economic Cooperation Act, the magnitude of the tasks involved, and the scope of its objectives can only be fully