

possible immediate steps it was effective to take at that time...."

Taking up Mr. Bracken's points one by one, the Prime Minister said he did not know what country communists regarded as most important but he was inclined to think that, at the moment, their minds are more upon the countries of Europe and some of the countries of Asia than upon any countries in the western hemisphere.

"Nevertheless," he added, "I do believe that anyone who had regard to future world development would look upon Canada as one of the most enviable portions of the whole globe."

Mr. King pointed out that it was at the instance of the Government that those in the public service who had lent themselves to corrupt influence had been brought to trial. He did not believe that the extent to which the communists had bored into labour organizations was as great as some people thought, and proceeded:-

"There may be here and there individual organizations, in fact I believe there are, of which a considerable number of communists may be members, but it is not always the easiest thing, by looking at a man, or seeing him in a particular employ, to discover whether he is a communist working with a view to destroying industry or whether he is a citizen who is doing his best to earn a livelihood. It is very easy to condemn wholesale men who are working in industry, but it is another thing to interfere with, as we have been hearing right along, the liberty of an individual in an attempt to arrest and bring someone to trial simply because he is alleged to be of communistic persuasion."

"May I point out, he said later, that in dealing with a problem such as communism one does not always make the most effective progress by publishing from the housetops everything that is being done. I think we have been successful in combatting communist tendencies in Canada in a large part because we have gone quietly about discovering where those forces were at work and, instead of advertising to the world what we are doing in all directions, have sought to gain our objective by quiet and effective means."

Of Mr. Bracken's comment on Czechoslovakia, Mr. King said:-

"Concerning Czechoslovakia we have all been saying that. That is the view which is held in all free countries. While Czechoslovakia has suffered in the manner she has so suddenly and unexpectedly it may be well that the disaster to that country may prove a beacon light which will guide the free nations to her deliverance as well as to the deliverance of other nations held in thrall by communists."

M. J. Coldwell, C.C.F. Leader, said in part:-

"I speak as one who, throughout his public life, has been an opponent of communism. I think all those who know me know that I have never compromised with the communist party. As

long as I am in the position in which I am today, there will be no compromise with those who wish to overthrow the Government by force and to undermine our democratic institutions, whether those people come from what is sometimes called the extreme left or indeed from the extreme right. We face a danger, not only from the extreme left but from the extreme right."

Solon E. Low, Social Credit Leader, said in part:-

"I want it definitely understood from the outset that as a Social Creditor, from the time I became interested in public affairs I have denounced communism. I have constantly and consistently opposed communism not only by what I have said but, I hope, also by the way I have acted. I believe in and advocate policies which are diametrically opposed to the principles of communism. I shall continue to do so as long as I have breath, Mr. Speaker, because I believe that those policies of Karl Marx which were spawned in the cesspools of Europe are evil things and must not be allowed to be transplanted into fertile soil in Canada. There is no room for an imported evil thing like that in our country."

U.S. HONOURS CANADIANS: Lieutenant-General John Carl Murchie, CB, CBE (retired) of Ottawa, was presented on Thursday with the United States Legion of Merit, Degree of Commander, at a ceremony at the Rockcliffe residence of the Hon. Ray Atherton, United States Ambassador to Canada.

The United States Legion of Merit, Degree of Officer, were conferred at the same time on Major-General John Henry MacQueen, CBE; Colonel Joseph William Bishop, OBE, and Lt.-Col. Edward Alison Flood, OBE.

Lt.-Gen. J.C. Murchie is a former wartime Chief of the Canadian General Staff at Ottawa and Chief of Staff at Canadian Military Headquarters in London, England. He was an artillery officer in World War I.

Maj.-Gen. J.H. MacQueen was Master-General of the Ordnance at Army Headquarters here after his return from overseas in 1945, and is now president of Canadian Arsenals Limited.

Col. Bishop and Lt.-Col. Flood are still serving at National Defence Headquarters in Ottawa, the former as Director of Mechanical Engineering (Army) and the latter with the Defence Research Board of Canada.

TRADE AGREEMENT: The Department of External Affairs announced Friday that, by an exchange of notes between the Secretary of State for External Affairs and the Ambassador of Turkey to Canada, the Governments of Canada and Turkey have agreed upon a Commercial Modus Vivendi which provides for the reciprocal exchange of most favoured nation tariff treatment.

T.C.A. TRAFFIC MANAGER: The appointment of W. Gordon Wood as General Traffic Manager, Trans-Canada Air Lines, was announced Wednesday by Anson C. McKim, O.B.E., vice-president - traffic.

Mr. Wood has held the post of General Traffic Supervisor at the company's headquarters in Winnipeg. He has been connected with the traffic department of T.C.A. since 1939, except during the war when he served overseas with the Royal Canadian Artillery as an air observation pilot.

NEW AIR CARGO SERVICE: From coast to coast in Canada, to the United States and Newfoundland and to overseas destinations, Trans-Canada Air Lines on Wednesday inaugurated a new air cargo service designed to aid Canadian business by providing a speedy means of distribution of merchandise in volume shipments with resultant economies, Anson McKim, vice-president of traffic, announced at Montreal.

The air cargo service will be distinct from air express which has been in operation on TCA flights since 1938. Air express is adaptable to smaller shipments and articles, such as matrix, medical supplies, documents, films, blue prints and other items of small size.

Air cargo will provide a fast "shipper-to-buyer" service but will differ from air express in that it is designed to attract large shipments. Volume rates will bring air transport charges down to the lowest levels seen in Canada.

TCA's new service will broaden markets in Canada by placing seasonal produce sales on practically a year round basis. And by making fruits and vegetables available during the winter months when they are often in short supply in central and eastern Canada, it will help maintain a consistently high standard of living throughout the nation.

NEW SCHOOLS FOR INDIANS: A substantial increase in the Vote for Indian Education is requested of Parliament in main estimates tabled in the House of Commons.

The Department of Mines and Resources proposes to provide 80 new day schools and four residential schools in isolated locations, it was explained by the Honourable J. Allison Glen, who pointed out that there are still large numbers of Indian children of school age who are at present without educational facilities.

"We can make some progress with the adult Indian, but the education of the child is where the work must begin if the Indian is to make his best contribution to the Canadian community," Mr. Glen said.

The Minister pointed out that an Indian's health, habits, energies, and ambitions should be supervised and directed through the school,

where early and continuous training will fit him to take his place in the life of the country. "This cannot be accomplished without modern, clean, well-lighted school buildings and qualified teachers," Mr. Glen stated.

MAJOR HOGARTH APPOINTMENT: Major R.E. Hogarth, DSO, formerly of Sault Ste. Marie, Ont., has been appointed Canadian Military Attache to Yugoslavia, it was announced Wednesday by the Hon. Brooke Claxton, Minister of National Defence. He will have the acting rank of lieutenant-colonel while so serving.

Lt.-Col. Hogarth, 31, served throughout the Second World War in the Royal Canadian Artillery. From August 1944 until January 1946 he was commanding officer (lieutenant-colonel) of the 23rd Field Regiment (Self-Propelled) R.C.A., and following his return to Canada he reverted to the rank of major on appointment to the Canadian Army Active Force.

He attended the Senior Officers' Course at Oxford in 1943 and the Canadian Staff College at Kingston, Ont., in 1946-47. Since then he has served at Army Headquarters.

Lt.-Col. Hogarth was awarded the Distinguished Service Order for gallantry and leadership in the Northwest Europe campaign.

SECURITIES TRADE: Canada's international trade in outstanding securities resulted in a small inflow of capital in 1947, in contrast with the predominant inflows from this type of transaction during the previous decade. The net purchase of securities from all countries during the year amounted to \$18 million compared with net sales of \$134.6 million in 1946 and \$191 million in 1945. There were net purchases from all countries in each month of 1947 with the exception of January and July.

The principal factors influencing the change in direction were the decline in United States demand for Canadian securities and a reduction in liquidations of United States securities by Canadians. Net transactions in all outstanding securities with the United States led to a purchase balance of \$10.5 million compared with net sales of \$170.2 million in 1946. In trade with the United Kingdom, net purchases declined to \$9.2 million in 1947 from \$35.4 million in 1946, while transactions with other countries showed a sales balance of \$1.7 million in 1947.

The volume of transactions in 1947 aggregated \$405.6 million, sharply reduced from the 1946 total of \$697 million. Sales to all countries were valued at \$193.8 million compared with \$415.8 million in 1946, and purchases from all countries at \$211.8 million compared with \$281.2 million. Sales to the United States in 1947 totalled \$182.3 million as against \$405 million, and purchases from that country, \$192.8 million as against \$234.8.