

(C. W. B. April 16, 1948)

COMMUNICATIONS DEAL: The Governments of Canada and the United States have announced that an agreement has been concluded concerning the future operation of certain of the telephone and telegraph lines constructed during the war between Edmonton, Alberta, Canada, and the Alaska-Canadian border.

These lines provide direct communication between Canada, the United States and the interior of Alaska. They are available for transmission of telephone and telegraph messages of private industry and individuals and are handling a steadily increasing volume of commercial traffic. They were built during the war under the technical supervision of the United States Army Signal Corps and at the conclusion of hostilities sold to and are now operated by the Canadian Government.

These facilities parallel the Highway from Edmonton, Alberta to the Alaskan-Canadian border, which is approximately 1700 miles from Edmonton. At the boundary the Canadian portion of the lines connects with the Alaska Communication System which provides telephone and telegraph service for the Territory of Alaska. Under the present agreement the Canadian Government makes available certain channels on the lines within its boundaries for use by the United States on a rental basis.

These several telephone and teletype channels are leased in accordance with standard commercial rates. The United States Government agrees to maintain the facilities in Alaska, operation and maintenance of the facilities in Canada being the responsibility of the Canadian authorities. In both cases, maintenance is to be carried out in accordance with standard practices.

The agreement is to remain in force until the two Governments mutually consent to terminate it or after one year's notice by either Government.

CHINESE GENEROSITY: The generosity of a Chinese official in supplying the Canadian Embassy in China with plants and trees for the new compound is described in a letter recently received by the Department of External Affairs from the Canadian Ambassador in China, the Honourable T. C. Davis.

Last year Mr. Ho Pei-heng, a member of the Szechuan Provincial government and Director of the Reconstruction Bureau, called on the Ambassador and was taken to the site of the Embassy compound. Some time later a large consignment of plants and trees arrived at the Embassy in the company of a technical expert and a workman. The expert handed the Ambassador a letter which read in part:

"During my stay in Nanking last year I had the privilege of visiting the new site of your Embassy at the invitation of your Ambassador. I am sending you various kinds of plants and trees of Szechuan as a present for your Embassy and have asked Mr. Chin, technical expert,

assisted by a workman, to escort them to Nanking.

"These plants and trees were transported from the different districts of Szechuan to Chungking for transshipment to Nanking. I cannot say for sure how many of these trees and plants will ultimately grow.

"All travelling expenses for Mr. Chin and for the workman have been paid by this Bureau. Please do not pay any expenses whatsoever. For your perusal I am enclosing a list of the names of the plants and trees."

Mr. Davis said in reply the Embassy staff was "very, very pleased" to receive the plants and trees. "We have been touched by your kindness and generosity. The plants and trees have arrived and have been transported by us to our new Embassy site and have been placed in a bed for replanting as soon as we can decide on a plan of general landscaping which will involve the use of this wonderful present from you. It was more than thoughtful of you to think of making a gift of this character and the fact that it came without any previous warning increased our pleasure in receiving it.

"We have told your technical expert that as we will be delayed in doing the transplanting, there is no need for him and his workman to remain here, but that we would arrange for transplanting and locating through the University of Nanking gardens. It was enough for you to send us this present without going to all the trouble of sending these men along to escort the present to Nanking."

TWO BY-ELECTIONS: The Prime Minister, Mr. Mackenzie King, announced Friday that Tuesday, June 8th, had been fixed as the date of polling for the by-elections in the electoral divisions of Ontario and Vancouver-Centre. The by-elections will be held on Tuesday, June 8th, because Monday, June 7th, has been fixed as the day for the observance in Canada of the King's birthday.

HOLLYWOOD COOPERATION: An initial and concrete progress report on Hollywood's plan of co-operation toward the alleviation of Canada's U. S. currency problem was outlined last week to Rt. Hon. C. D. Howe by J. J. Fitzgibbons, president of Famous Players Canadian Corporation, and Francis Harmon, vice-president of the Motion Picture Association of America.

The report was delivered at a luncheon in the Quebec Suite of the Chateau Laurier. U. S. Ambassador Ray Atherton and a group of prominent Dominion Government officials were present.

Mr. Harmon stated that the industry recognized the importance of the Canadian market and desires to co-operate for the mutual benefit of both Canada and the industry. This co-operation has already taken concrete shape in plans to use more Canadian news shots, scenic backgrounds, studios and other facil-

ities in current film production, Mr. Harmon explained. Thirty-one Canadian shots have appeared in U. S. newsreels in February and March of this year as against ten in the same months of 1947, and three excellent short subjects -- "Calgary Stampede", "Snow Capers" and "Big Game Angling" -- have been filmed. A new feature picture "The Emperor Waltz", starring Bing Crosby, embodies sequences shot in the Canadian Rockies at a cost of \$750,000. Recently locations in Canada have been found for two producers who need background for a special type of gold mining and an Alpine-type village. Other locations and existing studio facilities are being studied in connection with an extensive list of Canadian stories which are considered suitable for film treatment.

One of the purposes of the discussions in Ottawa was to establish effective and continuing liaison with Canadian sources of information. Catalogues are being prepared listing all the stock shots and various scenic sequences available in the library of the National Film Board and other Canadian producers, with the intention of incorporating them in appropriate Hollywood productions.

Special developments include the provision of Canadian news to a U. S. television programme which has a weekly audience of one million people, and the addition of an educational commentary on Canada to a picture which had already been completed with a Canadian background.

An important by-product of this display of Canadian film material in the United States was emphasized by Mr. Fitzgibbons of the Famous Players Canadian Corporation. He pointed out that it should be of immediate and material assistance to the tourist industry, and thus contribute to Canada's vitally important supply of U. S. dollars. Mr. Harmon added special tribute to the splendid co-operation of the Dominion government departments and private businessmen who had contributed greatly to the development of a programme of mutual co-operation from which so much could be expected in the way of practical results.

FARM INCOME AT HIGH: In spite of a continued rise in farm operating expenses, the net income of Canadian farmers from farming operations in 1947 reached a total of \$1,259,711,000, the highest figure recorded since the compilation of comparable statistics back to 1938, according to preliminary estimates by the Dominion Bureau of Statistics. This figure compares with the revised estimate for 1946 of \$1,160,755,000, and the revised figure for 1944 of \$1,242,718,000, the previous high record.

Farm cash income also established an all-time high record of \$1,990,619,000 as against \$1,752,682,000 in the preceding year, and there were further increases in the value of

home-consumed farm produce. While the value of farm-held year-end inventories of live stock and grains declined \$100,111,000 it failed to offset gains in cash income and income in kind, the latter rising from \$300,557,000 in 1946 to \$323,465,000. As a result, gross income for 1947 also set a record, aggregating \$2,213,973,000 compared with \$2,012,015,000 in 1946.

Farm operating expenses in 1947 continued the upward climb which became quite noticeable in 1946. From \$868,210,000 in 1946 this item rose to \$965,838,000 in 1947, a gain of approximately 11 per cent. While gains were registered for nearly all of the expense items, the most significant increase occurred in the case of live stock feeds which climbed from approximately \$198,975,000 in 1946 to \$253,790,000 last year.

With the exception of Nova Scotia and British Columbia, all of the 1947 provincial net incomes were larger than in 1946 and without exception they were above the 1945 figures. Compared with 1946, the greatest absolute gain in provincial net income occurred in Saskatchewan, while on a percentage basis, Saskatchewan and Alberta, with gains of 19.6 and 19.3 per cent, respectively, were in the lead.

MINERAL PRODUCTION: Production of all but four of Canada's 16 leading minerals was higher in January than in the corresponding month of 1947, according to figures released by the Dominion Bureau of Statistics. Exceptions were coal, lead, salt and zinc.

Output for the month was as follows, totals for January 1947 being in brackets: asbestos, 46,633 (44,058) tons; cement, 500,492 (403,933) barrels; clay products, \$993,155 (\$863,266); coal, 1,385,776 (1,700,463) tons; copper, 40,894,610 (28,892,159) pounds; feldspar, 3,486 (1,952) tons; gold, 274,104 (234,137) fine ounces; gypsum, 138,534 (95,370) tons; lead, 22,135,773 (25,152,806) pounds; lime, 77,412 (74,595) tons; natural gas, 6,186,254 (5,970,806) M cubic feet; nickel, 21,548,839 (19,447,552) pounds; petroleum, 775,628 (597,572) barrels; salt, 55,975 (61,854) tons; silver, 859,901 (767,654) fine ounces; zinc, 34,332,614 (35,062,672) pounds.

MR. MCILRAITH'S ADDRESS: In an address to the Canadian Importers and Traders Association in Toronto on April 9, George J. McIlraith, M.P., Parliamentary Assistant to the Minister of Trade and Commerce, said in part:-

"It is still too early to hazard a guess on how soon our gold and U. S. dollar reserve will be raised to the point where import restrictions can be dropped. The immediate result seems to be favourable. In the three months, September to November, total exports exceeded total imports by \$30 million, which was less than half the total of a year earlier. In the three months following the establishment of