

(C.W.B. December 10, 1948)

MR. WRONG'S ADDRESS: The Canadian Ambassador to the United States, Mr. Hume Wrong, addressed the Lions' Regional Conference Banquet at Statesville, N.C., on December 6. He touched upon the relative knowledge of the residents of each country concerning the affairs of the other, dealt with Canada's position in the Commonwealth, outlined Canada's system of Government, and concluded with remarks on the place of North America in the world of today. His comment on the projected North Atlantic Pact was as follows:

"What I hope will emerge is a treaty binding the countries which I have named, and other North Atlantic countries, to work together in peace to combat aggression, and, if need be, to fight together in War. Surely any aggressor, no matter how powerful, would think several times before taking any action which was likely to cause war with a coalition of over 250 million people controlling a very high proportion of the industrial capacity of the whole world. It seems to me that the time has come in the cold war when it must be made abundantly clear that, if a hot war begins, the free nations will be prepared, equipped, and ready to go.

"My Government has taken a leading part in publicly urging the establishment of this defensive group of free states. I should like to quote a few words from a speech last month by the new Prime Minister of Canada about this project:

"For my part, I believe that the most certain and the most practical approach to security for us is the achievement, as soon as possible, of an alliance of the North Atlantic nations. It is not enough to have right on our side; it is just as important to have the strength to defend the right. The only way to achieve that strength is for us and the other North Atlantic nations to combine our resources. We know only too well where isolationism leads. The last war proved conclusively that isolationism is no guarantee of security."

"Anything less than a North Atlantic Pact would give us no real hope of maintaining a preponderance of material and moral strength on the side of peace. And it is only if we can maintain an overwhelming preponderance on the side of peace, that we can maintain the peace."

"What I want particularly to emphasize is that we should build up our strength not for the purpose of waging war but for the purpose of preventing war."

"To undertake commitments of this nature in peacetime would be as great a departure from the traditional foreign policy of Canada as from the traditional foreign policy of the United States. Tradition is not a safe guide

for action in the atomic era. Both our countries have had to fight two great wars within thirty years. In both wars we were given, by geography, an interval of time to build our military strength while others were doing the fighting. This saving interval is not likely to be repeated again. North America, too, is no longer completely immune from direct attack. We should have learned, and I believe a great majority of our people have learned, that aggression on a great scale anywhere is in the long or short run aggression against us. Let us seek to make aggression too dangerous a venture; but if it does come let us be well prepared to keep the aggressor as far from our own continent as we can.

"Canada and the United States are, as I have said, interdependent countries. That has been recognized for a long time. What is now being realized acutely is a newer fact: the interdependence of the two sides of the North Atlantic Ocean. It is wise and urgent, therefore, to find means of increasing our joint strength, even when the means run counter to past policies and may arouse ancient prejudices. Can anyone suggest a more effective means than the early ratification of a North Atlantic Pact?"

CRUDE OIL OUTPUT: Canada's output of crude petroleum and natural gasoline in September exceeded the million-barrel mark for the fourth successive month. The month's output amounted to 1,101,000 barrels as compared with the new high record established in August of 1,245,000 barrels and 653,000 a year ago. Mainly due to the sharply increased output from the Leduc field, production during the first nine months of this year rose to 8,649,000 barrels from 5,516,000 in the similar period last year.

September output from Leduc declined from the preceding month, standing at 462,000 barrels compared with 583,000, but was greatly advanced from the 33,000 produced a year ago. Turner Valley's output was lower in September, amounting to 347,000 barrels compared with 352,000 in August and 400,000 a year ago. Total output for Alberta was 978,000 barrels against 1,104,000 in August and 557,000 in the corresponding month last year.

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1948 prices have been 54½ cents per dozen for storage eggs, \$1.46 per pound for dried egg and 35 cents per pound for frozen egg. While the 1949 prices are slightly below those of 1948 it is expected that a major portion of the reduction can be met through economics in operating and processing costs and that the necessary reduction in egg prices paid to producers will be relatively small. Such reduction should be compensated for to a considerable extent by the partial removal of restrictions on exports to other markets, said Mr. Gardiner.

WORLD WHEAT CROP: World wheat production for 1948 now promises to show an even larger increase over last year than earlier forecasts indicated, largely due to improvement in Europe.

Based on the latest available information, the world total is now estimated at 6,285 million bushels, some 35 million bushels above the September forecast and 470 million bushels greater than the 1947 crop, the Bureau of Statistics reports in its monthly review of the world wheat situation. The latest estimate also exceeds the 1935-39 average by 275 million bushels.

The upward revision from the September estimate is due principally to higher estimates for some European countries, France particularly, and to improved prospects in Australia, where harvesting began recently.

EUROPEAN INCREASE

On a regional basis, perhaps the most significant factor in the improvement this year in world wheat production, the Bureau states, is an indicated increase of 440 million bushels over the 1947 crop in Europe. However, despite this gain, the European wheat crop is still 127 million bushels below the 1935-39 average. On the other hand, production in some European countries, notably France and the United Kingdom, has exceeded the pre-war average. The improved supply situation in these countries has permitted the relaxation of many of the rigid control measures adopted during and immediately following the War in an effort to conserve available bread grain supplies. Although import requirements for current needs have been reduced to some extent in many European countries, there still exists a need to build up depleted reserve stocks and to reduce high extraction rates.

Production this year in North America, South America and Oceania is down from last year, when all-time record wheat crops were harvested in the United States and Australia, but total production in these areas, normally supplying the bulk of world wheat exports, is well above the 1935-39 average. This year's wheat crop in North America alone is 610 million bushels greater than the average for 1935-39 and only 22 million less than in 1947. A reduction of 81.1 million bushels from last year's record crop in the United States has been offset partly by increases in Canada and Mexico.

Latest estimate, with 1947 figures in brackets, shown in thousand bushels, is as follows: North America, 1,696,000 (1,718,000); South America, 245,000 (325,000); Europe, 1,465,000 (1,025,000); U.S.S.R. (Europe and Asia), 888,000 (875,000); Asia, 1,650,000 (1,517,000); Africa, 150,000 (130,000); Oceania, 190,300 (224,300); total, 6,285,000 (5,815,000).

TENDERS ACCEPTED: On behalf of the Minister of Finance it was announced at noon, December

9, that Tenders had been accepted for the full amount of \$75,000,000 Government of Canada Treasury Bills due March 11, 1949. The average discount price of the accepted bids was \$99,-89744 and the average yield was .412%.

RETAIL SALES UP: Canada's retail trade took a sharp upturn in October when consumers spent 14.5 per cent more for merchandise than in October last year and 12 per cent more than in September this year. These results are based on reports from chain and independent stores in 14 kinds of retail business reporting to the Bureau of Statistics. The increase in sales for the first 10 months of this year amounted to 11 per cent above the similar period of 1947. Unadjusted indexes of sales, on the base 1935-39=100, stood at 290.6 in October, 258.8 in September and 253.9 in October, 1947.

Department stores, variety stores and women's apparel shops led all other trades from the standpoint of percentage gain over October last year. October increases were more than 20 per cent for each of these trades. The increases have also been prominent for these trades throughout the earlier part of the current year; their cumulative gains for the 10 months ending October ranged from 14 per cent to 18 per cent, and ranked highest among trade increases.

Food stores reported an average sales increase of 14 per cent, a gain similar to that in the 10-months' comparison. Men's wear and family clothing stores showed increased activity when October gains of 13 per cent in each exceeded their average increases of nine per cent for the year to date. The demand for furniture and hardware merchandise was shown when these trades increased nine per cent and 14 per cent, respectively in October as compared with smaller gains of three per cent and nine per cent in the 10-month period.

Candy stores maintained an even level, the October increase of one per cent comparing with a decline of one per cent in the cumulative period over a year ago.

Regional increases for October ranged from a high of 19 per cent in the Prairie Provinces to eight per cent for the Maritime Provinces. Gain for Ontario was 17 per cent, British Columbia 14 per cent and Quebec 10 per cent. In the January-October comparisons, increases varied, reaching a high of 14 per cent in Ontario and a low of seven per cent in the Maritime Provinces.

FARM LABOUR CONFERENCE: "The loss of labour from farms to urban centres must be made up if agricultural production is to be maintained," Arthur MacNamara, Deputy Minister of Labour, stated at the opening of the Sixth Federal-Provincial Farm Labour Conference in Ottawa on December 9.

Mr. MacNamara said that the shortage of farm labour in 1949 would probably equal that