

DISPOSAL OF FORMER ITALIAN COLONIES

CANADA'S VIEWS: In common with other signatories of the Peace Treaty with Italy, Canada was invited on May 13, 1948, by the Secretary-General of the Deputies of the Council of Foreign Ministers to submit early in June its views on the disposal of the former Italian colonies. The invitation indicated that the Canadian Government, like other interested Governments, would enjoy the right to present supplementary views after it had had an opportunity to study the reports of the Four-Power Commission of Investigation which toured Eritrea, Italian Somaliland and Libya during the winter and spring. Canada's first statement, discussing the principles which should govern the disposal of the three territories, was submitted on June 7. Its supplementary statement, dated August 7, has now been submitted to the Deputies through the Canadian High Commissioner in London, according to a statement released August 9 by the Department of External Affairs. The supplementary statement indicates the manner in which the Canadian Government believes that the principles enunciated in its statement of June 7 should be applied.

EARLIER STATEMENT

In its earlier statement the Canadian Government expressed the view that the former Italian colonies come within the scope of Chapter XI of the United Nations Charter, which deals with dependent territories. Accordingly, in considering the disposal of the former Italian colonies, the interests of the inhabitants must be recognized as paramount. Arrangements for the future administration of the territories should therefore be based on the ascertained condition of each and on the needs and wishes of its inhabitants.

The reports of the Four-Power Commission of Investigation were recently circulated by the Deputies to the signatories of the Peace Treaty with Italy, and it is on a careful study of these reports that the supplementary statement of the Canadian Government has been based.

The Canadian Government has concluded that one of the first needs of the three territories is the continuation of outside assistance. In conformity with its statement of June 7 it therefore supports the application of the international trusteeship system to the former Italian colonies, except where the majority of the inhabitants desire incorporation in a neighbouring state or territory. On the basis of the information now before it, the Canadian Government has arrived at the following provisional views regarding the disposition to be made of the former Italian colonies.

The Canadian Government is disposed to support the designation of Italy as administering authority for the trust territory of Italian Somaliland. It assumes that the terms of the trusteeship agreement for this territory

will not preclude the establishment in due course of the closest possible economic, social and cultural relations among territories of East Africa which are uninhabited principally by peoples of Somali race.

The Canadian Government is inclined to support the union with Ethiopia of that portion of the highlands of Eritrea in which the majority of the people wish to be included in the Ethiopian Empire. The remainder of the territory would be placed under trusteeship. So far as the control of this area is concerned, Canada is not at present prepared to go beyond expressing support for the designation of the United Kingdom as administering authority. In the trusteeship arrangements for this area the Canadian Government would welcome the inclusion of clauses providing Ethiopia with free ports at Massawa and Assab and exempting Ethiopia from the payment of transit dues on goods moving to and from the free ports across Eritrean territory.

FAVOURS U.K. APPOINTMENT

The Canadian Government is not at present prepared to express a firm opinion on whether the former Italian colony of Libya should be established as a single trust territory or whether it should be divided into two separate trust territories of Tripolitania and Cyrenaica. If separatist sentiment in Cyrenaica is considered to be too strong to admit of the inclusion of that territory in a single trust territory of Libya, the Canadian Government would favour the creation of two separate trust territories. In this case Canada would support the choice of the United Kingdom as administering authority for Cyrenaica. Because of the close ties already existing between Cyrenaica and Tripolitania and because of the desirability of establishing even closer relations between the two territories, the Canadian Government would favour the appointment of the United Kingdom as administering authority in Tripolitania as well as in Cyrenaica.

For the same reasons, if a single trusteeship agreement for the whole of Libya is planned, the Canadian Government is disposed to support the choice of the United Kingdom as the administering authority for the territory. A trusteeship agreement for Libya might contain provisions for the development of autonomous provincial administrations in Tripolitania and Cyrenaica and for the group settlement of Italians in Tripolitania.

Each administering authority chosen by the Four Powers should submit as soon as possible to the General Assembly of the United Nations a draft trusteeship agreement for the approval of that body. Until the Assembly's approval has been given, the Canadian Government assumes that no major change will occur in the administration of any of the territories.

In drafting the terms of the trusteeship agreements, administering authorities should bear in mind the need of various regions for agricultural development by non-indigenous agricultural settlers familiar with modern methods of intensive farming. There exists in Italy a considerable body of displaced agricultural and industrial workers already familiar with living conditions in North Africa and East Africa. The Canadian Government accordingly considers that in areas where foreign agricultural and industrial settlers are needed and where Italian settlers are welcomed by the native inhabitants, facilities should be provided at an early date for the settlement in the areas concerned of former residents of Africa now living in Italy.

P.F.C.L.I. AIRBORNE UNIT: "The Princess Patricia's Canadian Light Infantry, Calgary, has been selected to be the first battalion to be trained as an airborne unit since the war," Major-General C.C. Mann, CBE, DSO, stated August 9 in an address to officers and men of the famous infantry unit at Currie Barracks. General Mann, Vice Chief of the General Staff, arrived August 8 from Toronto aboard an RCAF transport plane to make the announcement. The General, 43, qualified as a paratrooper himself last January.

COST-OF-LIVING INDEX: With a further rise in the food index, supplemented by moderate increases in clothing, homefurnishings and services, fuel and light, and the miscellaneous items indexes, the Bureau of Statistics cost-of-living index, on the base 1935-39=100, rose from 154.3 for June 1 to 156.9 for July 2. A year ago the index stood at 135.9 and at January 2 this year at 148.3. From August, 1939, to July 2 this year, the increase in the cost-of-living index was 55.7 per cent.

The food series moved up from 193.9 on June 1 to 201.3, due mainly to increases in meats, potatoes and eggs. At July 2 last year the food index stood at 159.8, the 12-month rise amounting to 41.5 points. Clothing index advanced from 174.8 to 175.4, homefurnishings and services from 162.0 to 162.8, fuel and light from 124.3 to 124.5, and miscellaneous items from 122.7 to 123.1. The rental index was unchanged at 120.9.

MOTOR VEHICLE SALES: Establishing a new monthly peak for 1948 and reversing a declining trend which had been in evidence during the two preceding months, sales of new motor vehicles advanced to 21,201 units with a retail value of \$41,646,360, according to the Bureau of Statistics. In June last year 20,688 units retailed for \$36,069,507.

The cumulative total of new vehicle sales for the first half of 1948 of 106,409 was slightly lower than the total for the same

period of last year (106,989); yet the retail value of \$204,730,096 in 1948 was substantially greater than the \$186,217,951 shown for 1947.

Passenger cars declined in physical volume of sales in June, numbering 12,463 units contrasted with 14,992 units for the same month last year. The value was \$25,207,534 compared with \$25,634,051. Trucks and buses showed an increase over the same month last year both in physical volume and retail value, sales totalling 8,738 involving \$16,438,826 as compared with 5,696 units at \$10,435,456.

PHYSICAL VOLUME OF INVENTORIES: Another step in the important but complex problem of supplying information on inventories has been taken by the Bureau of Statistics with the publication of a report "Physical Volume of Inventories in Certain Manufacturing and Mining Industries, January 1944 to April 1948."

The data presented in this report represent a combination of all information received by the Bureau on inventories. They are not complete for all industries; for example, no data are included on stocks in such important industries as textiles or iron and steel, and in certain other industries, as indicated in the report, the coverage is not sufficiently great that it can safely be taken as representative of changes in the total inventories in these industries. Because of limitations, the figures do not give a complete or true picture of total manufacturing inventories, but they do give valuable information on changes in the volume of stocks held in a number of important parts of the manufacturing field.

While the inventory figures are shown in estimated dollar values, these values are in terms of constant prices -- 1944 cost prices -- and consequently the figures reflect changes in the physical volume of inventories. Some measure of what is happening to the quantity of goods held in inventory is very important, particularly in such times as these when dollar value of inventories compared with the dollar value of a few years or even a few months ago can reflect substantial changes in prices as well as changes in quantity, says the Bureau statement.

Besides data on inventories, the report gives the ratio of stocks to shipments in the industries included. The ratio is expressed as the number of the current month's shipments which are held in stocks at the end of each month, and enables some judgment to be made as to whether stocks are increasing or decreasing in relation to the current rate of activity of the industry.

RCAF DIRECTOR OF SUPPLY: Air Force Headquarters has announced that Group Captain S.G. Cowan, OBE, of Victoria, B.C., has replaced G/C V.S.J. Millard, OBE, of Toronto, as Director of Equipment and Supply at Air Force Headquarters, Ottawa.