

SEAWAY NEGOTIATIONS: Officials of the Canadian and United States Governments met on Monday and Tuesday, July 5-6, in Ottawa, to discuss the St. Lawrence Seaway. The meeting was held at the request of the United States Government in a Note dated June 7, 1954, following the passage by Congress of legislation authorizing the United States to participate in the Seaway project by the construction of canals on the United States side of the international section of the St. Lawrence River.

The meeting explored in a friendly and constructive manner the more important changes which might have to be made in the existing arrangements for the development of the St. Lawrence Seaway and fixed a tentative agenda of the subjects which may require to be negotiated or decided subsequently by the two Governments.

It is expected that a meeting for this purpose between representatives of the two Governments will be held later this month after both Governments have had an opportunity to consider these subjects in the light of the current discussions.

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HIGHER CASH SALES: Canadian consumers bought more for cash and less on credit in the first quarter of this year than in the first three months of 1953, the Dominion Bureau of Statistics, has reported. Cash sales accounted for 68.8 cents of the average retail consumer dollar this year as compared with 67.2 cents last year, and credit sales accounted for 31.2 cents as against 32.8.

Cash sales of the nation's retailers totalled \$1,704,600,000 in January-March this year, up 1.3% from \$1,682,400,000 a year earlier. Instalment sales - sales made under a conditional sales agreement with a recovery clause - aggregated \$260,400,000, down 9.4% from \$287,500,000 last year.

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WHOLESALE PRICES UP: Wholesale prices were slightly higher in May and the Bureau's general index rose 0.1% to 218.2 between April and May. While the change was small it marked the first 1954 increase in the total index. Five of the eight major groups were firmer, led by an increase of 1.5% in animal products.

Higher quotations for live stock, fresh and cured meats, raw furs, hides and leather more than offset decreases in milk and its products, fishery products, lard and tallow, footwear, fowl and eggs, and the animal products index advanced to 244.5 from 240.9. The vegetable products index moved up 0.3% to 196.5 as advances for bananas, potatoes, cocoa beans, onions, barley and unmanufactured leaf tobacco among others, outweighed decreases for feeds, vegetable oils, raw sugar, flour, oats, rye and flax.

SIR WINSTON IN OTTAWA: "Good, continuous, intimate, trusting relations between Britain, and Canada and the U.S. are the foundations, the security for world peace," said Sir Winston Churchill in a press conference in Ottawa on June 30 during his brief visit to the Canadian capital.

"Nothing," he continued, "will deter the aggressor more than the fact that he knows he's got to face the whole of the British Commonwealth and the United States of America."

Asked if he could tell the conference anything of his discussions with the Canadian Government, he replied: "Yes, I certainly will. They have been very jolly."

Question: "Was there any serious part, apart from the jollity, Sir?"

Sir Winston: "Yes. The jollity consisted in the mood of friendship. The serious part consisted in the very solemn, formidable and complicated issues which we discussed among ourselves as friends and brothers."

Of his Washington visit, he said, in part: "I must say I never had a more fruitful visit or more pleasant visit."

In response to questions, Sir Winston touched on Canada's future as follows:

54 YEARS AGO

"When I came here fifty-four years ago, for the first time, your population was just over five million; now it's just under fifteen million. All that's happened in my lifetime - extraordinary - wonderful - but if I were coming back, I don't think I ought to lay down any limit to what your population should be. I daresay, by the end of the century, it may be thirty or forty million, or more.

"What a wonderful thing, what a marvellous thing, what a work you are all engaged in, building up rapidly the life of this fast community so free and so buoyant in this wonderful country with its hitherto unmeasured possibilities. Far beyond what you've already discovered, a wonderful range, lies before you in the future, playing your part, and serving world causes and never forgetting the Old Country to which you owe so much of the civilization that you enjoy and are spreading throughout the world.

"We have rough times behind us, and many difficulties to face in our small island with our vast population, but nothing encourages us more to face these difficulties than the increasingly friendly and loving relations which are growing up between you and us, and between the other great Commonwealth states like Australia and New Zealand, it really enables us to face every problem with a feeling of confidence."

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Gold output was down 12% in the first quarter this year to 973,015 fine ounces from 1,013,384 a year earlier.