

(C.W.B. November 4, 1949)

cold war when in every section of the world one of the most brutal and pernicious forms of imperialism ever known is seeking to attack and destroy everything we believe in. Those underdeveloped areas of the world that are still outside the iron curtain must be assisted to increase their production, raise their standard of living and build up their economic and social defences against the aggression and domination which threaten them.

"The question I leave with you for deliberation therefore is very simple. It is that we of North America stand at a cross-roads. If we take one road we accept the new role of North America. It requires that we furnish a ready import market for the goods of other nations and also that we supply development capital for less advanced regions. Following that road we may hope to see an expansion throughout the world of the good life which is our North American heritage based as it is on democratic institutions of a type which have yielded the best way of living that civilized people have ever established. If that be true, as I profoundly believe it to be, then the alternative choice need not be stated."

BUSINESS AT HIGH LEVEL: Indicative of the continuing high level of business activity, the volume of cheques cashed against individual accounts was 14 per cent higher in September than in the corresponding month last year, while in the first nine months of the year the advance was nine per cent. Each of the five economic areas showed gains both in the month and cumulative period. Total for the month was \$7,651,699,000 as against \$6,709,737,000, and for the nine months, \$62,286,579,000 compared with \$57,211,785,000.

SECURITIES TRANSACTIONS: Transactions in outstanding securities between Canada and other countries gave rise to a small purchase balance of \$600,000 in August in contrast to a sales balance of about comparable size in July. In August last year there was a purchase balance of \$3,400,000. During the first eight months of this year the purchase balance was \$1,500,000 as against \$17,300,000 in the similar period of 1948.

Sales to all countries in the month amounted to \$13,600,000 as compared with \$10,900,000 in July and \$10,900,000 in the corresponding month last year, while the purchases totalled \$14,200,000 compared with \$10,000,000 in July and \$20,400,000 a year ago. In the eight months, sales totalled \$141,600,000 against \$141,100,000, and the purchases, \$143,100,000 compared with \$158,400,000.

STORE SALES INCREASE: Department store sales in Canada in September -- excluding Newfoundland -- were up eight per cent over the same

month last year, while in the first nine months of this year, sales rose nine per cent. All provinces shared in the advance both in the month and cumulative period.

The month's sales were valued at \$76,172,000 as compared with \$70,707,000 in September last year. For the nine months ending September, sales increased to \$565,991,000 as against \$521,581,000 in 1948. The Prairie Provinces and the Maritimes recorded the largest gains in the nine months, a rise of 14 per cent in Alberta being the largest.

The marked upward trend in sales of household appliances continued in September, being 29.9 per cent over September last year.

BUILDING MATERIALS: Wholesale prices of both general building materials and residential building materials were slightly lower in September than in August, according to the price indexes compiled by the Bureau of Statistics. The month's decrease continued a gradual downward movement that has been uninterrupted for general building materials since March and for residential building materials since February this year. In each case, however, the decline from August to September was smaller than in any preceding month.

MOTOR VEHICLES SHIPMENTS: Reversing the downward trend of the two previous months, factory shipments of Canadian-made motor vehicles showed a sharp increase in September, rising more than 50 per cent over August and 30 per cent over September last year. During the first nine months of this year, shipments advanced 17 per cent as compared with the similar period of 1948.

Shipments in September amounted to 30,894 units as compared with 20,475 in August and 23,775 in the corresponding month last year.

STORE SALES DOWN: Department store sales during the week ending October 22 decreased five per cent as compared with the corresponding week last year, according to preliminary figures. All provinces shared in the decline except Alberta, British Columbia and Saskatchewan. The Maritime Provinces showed a sharp decrease of 19 per cent, followed by Ontario down 11 per cent, Quebec nine per cent, and Manitoba six per cent. Alberta registered a rise of 21 per cent, British Columbia up 10 per cent, and Saskatchewan two per cent.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on October 20 amounted to 179,863,600 bushels compared with 178,377,200 on October 13 and 180,374,800 on the corresponding date last year.

REPORT CRITICIZES ROYAL CANADIAN NAVY

FINDINGS UNANIMOUS: The report of the Commission appointed by the Minister of National Defence, Mr. Claxton, to inquire into certain incidents of insubordination in H.M.C. Ships and other matters concerning the Royal Canadian Navy, was tabled in the House of Commons on November 1 by the Minister.

In a 27,000-word document, the Commission describes the incidents that occurred, analyses the causes, comments upon morale and discipline in the Royal Canadian Navy generally, and makes 41 specific recommendations for improvement. Of these recommendations virtually half have been or are being implemented and others are under study, the Minister told a press conference.

The Commissioners, Rear-Admiral E.R. Mainguy, R.C.N. (Chairman), Leonard W. Brockington, CMC, K.C. and L.C. Audette, were unanimous in their findings and recommendations.

W.N. Wickwire, K.C. was Chief Commission Counsel and Commander (S.B.) P.R. Hurcomb, R.C.N., Judge Advocate of the Fleet, also assisted the Commission.

At the conclusion of the Report, the Commissioners summarized some of their most significant findings in the following terms:-

- "(a) The incidents which we were asked to investigate were technically 'mutinies', although apart from the barring of mess deck doors in "Athabaskan" and "Crescent", no force was used. Nor was there any open defiance of a high officer's order.
- (b) There was no justification and could be no justification for the mutinous incidents nor for any form of mass insubordination.
- (c) There was justification for some of the complaints on which part of the dissatisfaction was founded.
- (d) Many of the complaints and the likelihood of some form of 'trouble' were known to some Petty Officers and Leading Seamen, whose clear duty it was to report such conditions promptly and fully. The reports were not made.
- (e) In addition, some divisional and other officers had a strong suspicion or should have had a strong suspicion that things were not well within their ships.
- (f) Had the various Captains and Executive Officers been fully informed, the incidents might well have been prevented.
- (g) In any event, if Welfare Committees had been properly constituted and allowed to function, it is probable that none of the incidents would have happened.

(h) The two foregoing facts contributed to what may be called the 'tragedy' of these incidents which were subsequently sincerely regretted by so many who took part in them.

(i) There was a connection between the incidents on "Ontario", "Athabaskan", "Crescent" and "Magnificent" and each succeeding incident received some pattern and some encouragement from its predecessor.

(j) In future, insubordination should be most severely punished.

(k) In the meantime, immediate and thorough consideration should be given to a reform of the procedure governing the airing of general grievances and to the strengthening and widening of the organization of Welfare Committees.

(l) We do not believe that there are any so-called 'subversive' forces at work in the Navy or that any such elements were responsible for the incidents. Like many other similar happenings they passed through the usual phases of discontent, exaggeration of grievance, folly and thoughtless action."

Particular emphasis is laid upon the subject of officer-man relationship, said the Navy's summary of the document. In the course of their investigation, the Commissioners found "a notable lack of human understanding between officers and men There is a prevalent opinion that there is an artificial distance between men and officers not wholly connected with the interests of maintaining the essential differences in rank".

After emphasizing that, in Canada, many officers and men come from the same kind of home, spend their boyhoods in playing baseball in the same lot, in swimming in the same swimming hole, and in playing "hookey" from the same school, the Commissioners remark that "with such a national background it is more important than ever that discipline shall be based on realities rather than on artificial distinctions".

They conclude that "the only discipline which in the final analysis is worthwhile is one that is based upon pride in a great service, a belief in essential justice, and the willing obedience that is given to superior character, skill, education and knowledge. Any other form of discipline is bound to break down under stress". The Report recommends more intensive training for officers in the essentials of leadership.

The Commissioners stressed the importance of training in the humanities. They recommended