tive defence. An excerpt from his references to the proposed North Atlantic Pact follows:

"This Atlantic pact, if we can bring it to a successful conclusion, does not give us the certainty of peace. No pact, no human achievement can do that. But it may give us a chance to establish peace in the future; and it is essential to our security in the present. It is certainly our best hope now for the prevention of aggression. It is our best hope for the establishment of relations between the two worlds on a basis, if not of friendship, at least of mutual toleration. That would give us time for men's minds to change and their souls to be freed so that toleration may turn to something better. That is all that we can ask for at this time from an Atlantic pact, but that is much and I think it is within our grasp.

"In this breathing space which we may now secure, there will be time to resolve the eternal struggle that goes on between conflict and co-operation; the paradox of good in the midst of evil, of life in the midst of death. That paradox, and the utter futility of war as a method of resolving it, was never more dramatically illustrated than by the fact that the same bombers and bomber pilots who smashed Berlin and its people in 1945 are keeping those people alive in 1949.... "

HARBOUR TRAFFIC HIGH: Harbour traffic continued at a high level in 1948. Traffic returns of the National Harbours Board show an increase in the number and registered tonnage of vessel arrivals, and a moderate gain in aggregate cargo tonnage over the previous year. The preliminary statistics, released on February 9 by the Minister of Transport, Mr. Chevrier, show that in the eight "national" harbours, vessel arrivals in 1948 numbered 43,626, having a net registered tonnage of 32,999,920 as compared with 42,876 in 1947, having a net registered tonnage of 29,856,603. Aggregate cargo tonnage, inward and outward, was 31,-326,279 last year, as compared with 31,163,807 in 1947, the increase being 162,472 tons.

<u>GOLD PRODUCTION GAINS</u>: Gold production in Canada moved upward during November for the second successive month, reaching the highest level for any month in 1948 and the highest since June, 1943, and increasing further the cumulative gain earlier recorded over 1947.

Output for the month, as reported by the Bureau of Statistics, amounted to 311,347 fine ounces compared with 306,928 in October and 252,235 in November, 1947. The figure for Jure, 1943, was 326,839 fine ounces. There were advances over a year earlier in all producing provinces, except Nova Scotia, the largest increase as in earlier months being in Ontario, followed by Quebec.

During the 11 months ending November, production totalled 3,200,640 fine ounces as

against 2,795,468 in the similar period of 1947. Gains were also shown in this period in all producing provinces, except Nova Scotia.

<u>UNION WITH NEWFOUNDLAND</u>: The granting of the right of appeal to the Privy Council to certain dissenters in Newfoundland should not occasion delay on the part of the Government in asking Parliament to confirm the agreement for Union, the Prime Minister, Mr. St. Laurent, told the House of Commons on February 10, prior to the passage of the Bill through Committee stage. The statement was made in reply to a question by the Leader of the Opposition, Mr. Drew, and is recorded in Hansard as follows:

Mr. Drew: Mr. Speaker, I should like to ask a question of the Prime Minister. In view of the announcement that the right to appeal to the Privy Council has been granted to certain appellants in Newfoundland with regard to Newfoundland's part in the agreement for union with Canada has the Prime Minister taken into consideration what effect, if any, that would have upon the discussions now taking place in the House?

Mr. St. Laurent: I have no information other than that gathered from the newspapers. However my understanding of the situation is that an action was instituted in the courts of justice of Newfoundland, and on motion it was dismissed as being frivolous and vexatious. An appeal was then taken to the Appeal Court of Newfoundland, and that appeal was dismissed, the Appeal Court confirming the opinion of the first judge that it was frivolous and vexatious. Now the newspapers report that leave has been granted to appeal to the Privy Council from the decision that the proceedings were frivolous and vexatious. Even if that appeal were heard, and even if it were allowed, it would not mean anything more than that the plaintiffs in the case would have the right to proceed on the merits of their suit; it being merely a pronouncement on a question of procedure. In view of the attitude taken by the Government of Newfoundland as to the terms of this agreement, and the time limit for accomplishing the further proceedings required to bring it into effect, there should be no delay on our part in asking Parliament to confirm the agreement.

<u>STUDY AIR ELECTRICS</u>: Four officers and two men of the Royal Canadian Navy's electrical department are at present undergoing a special course in air electrics and air instruments at the Fairey Aviation Company plant, Hayes, Middlesex, England, Naval Headquarters announced on February 11.

The course will familiarize the group with the R.C.N.'s new Firefly Mark V aircraft and the electrical equipment with which they are fitted. Instructional technique also is part of the course.

CANADA AT THE UNITED NATIONS

<u>GEN. MCNAUGHTON FRAISED</u>: At the opening of the Security Council meeting on February 8 the incomingPresident, Dr. T.F. Tsiang (China), praised the work of General Andrew G.L. Mc-Naughton (Canada), who held the Council presidency during January, the U.N. Press Bureau reported. General McNaughton expressed appreciation for Dr. Tsiang's words.

The only item on the February 8 agenda was a letter dated January 14 from the Secretary-Ceneral transmitting to the Council the General Assembly resolution of November 19, 1948 regarding the regulation and reduction of armaments and armed forces.

<u>CANADIANS IN KASHMIR</u>: Sir Zafrullah Khan, Foreign Minister of Pakistan, welcoming the United Nations Commission for India and Pakistan back on the sub-continent, on February 7, declared that acceptance by the two Dominions of the UNCIP plebiscite proposals were "A source of great satisfaction." Sir Zafrullah also expressed the hope that the Commission would press forward on the two questions:

LIVING COSTS RISE: The downward tendency in regional city living costs which occurred between November and December was reversed in January when seven of the eight indexes moved to higher levels. Vancouver's index remained unchanged. Index advances were due principally to increases in service costs which, because of their usual inherent stability, are priced for the most part only at annual intervals. In addition, foods, clothing and homefurnishing prices registered moderate gains at most centres.

According to the Evreau of Statistics, composite city index increases between December 1, 1948 and January 3, 1949 for the seven centres registering changes were as follows: Halifax, 1.5 to 152.3; Winnipeg, 1.2 to 153.4; Edmonton, 0.9 to 154.5; Montreal, 0.8 to 162.3; Saint John, 0.7 to 156.2; Toronto, 0.5 to 155.0; and Saskatoon 0.4 to 162.0.

<u>RETAIL SALES INCREASE</u>: Topped off by an increase of 14 per cent in December and the highest value of Christmas trade on record, retail sales in Canada last year were 11 per cent-higher in dollar volume than in 1947. The year's gain was almost exactly the same as that shown in 1947 over 1946. Increases were registered in all regions of Canada both in December and in the year, according to the Bureau of Statistics.

Sharpest gains in the month were in department stores, food stores, and shoe stores, all of which had increases of 18 per cent. Decem-

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settlement of the details of the truce agreement and the nomination of the plebiscite administrator which, he said, "is not only of importance to the Dominions but also of international importance."

Meanwhile the Commission's Military Adviser, Lieut.-General Maurice Delovie of Belgium has announced that the first team of ten military observers, under US Colonel Alexander McCone, is already in Rawalpindi, Pakistan.

Four Canadian officers who arrived in New Delhi on Sunday, February 6, will join five US officers and will then proceed to Spingar on Wednesday, February 9 for the Indian fronts in Kashmir.

Four Norwegian officers are expected to arrive. Seventeen other observers are still to be chosen making a total of 40 observers or 20 truce teams to supervise the ceasefire and details of the truce agreement.

The Commission is expected to leave Karachi for New Delhi on February 10 to resume discussions with Indian officials.

-er sales increases for the three trades in the apparel group -- family clothing, men's clothing and women's clothing -- were similar to the average gain for retail trade as a whole.

In the 12 months, largest gain over 1947 was 16 per cent shown by women's clothing stores, followed closely by variety and department stores with increases of 14.6 and 14 per cent, respectively. Food store sales had a 12-month rise of 13.9 per cent.

<u>**R.U.C.**</u> SCHOLARSHIPS: More than 70 scholarships, cadetships and bursaries are available to applicants admitted annually to the Royal Military College at Kingston, Ont., and Royal Roads, near Victoria, B.C., the Minister of National Defence, Mr. Claxton, announced on February 11.

The federal Government offers 15 cadetships each year on the basis of not more than five to each of the three services, providing tuition, recreation fee, and uniform expenses for the period of the first academic year at either R.M.C. or Royal Roads. In addition, the Government also offers 14 scholarships on a purely academic basis according to provincial quotas. Candidates for both Dominion Cadetships and Dominion scholarships are chosen by a joint selection board.

DAIRY PRODUCTS: Stocks of creamery butter on February 1 totalled 27,980,000 pounds, down from 37,397,000 on January 1 and 31,561,000 pounds on the corresponding date last year, according to the Bureau of Statistics.