



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

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Mr. Pearson On European Situation: Ottawa, January 10 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today the general opinion in high Atlantic Pact circles is that the West is in a far better military position now than two years ago and that things will be even better this year. The big question mark, he told a press conference, is Russia. Nobody in the West is sure what Russia is doing, but the belief is that the disparity in armed strength between Russia and the West is being narrowed.

It is hoped, he said, that by the end of 1952, the North Atlantic Treaty Organization will have a "pretty strong military force" in Western Europe. In that force, he hoped, would be a European army in which six continental nations would pool their manpower resources in a single military formation. Beside them would be British, American and Canadian troops, not directly associated with the European army, but serving together with them under Gen. Eisenhower or his successor.

Mr. Pearson, in discussing this week-end's visit by Prime Minister Churchill, said Canada is interested in hearing about the Anglo-American discussions on such matters as atomic energy, raw materials and reorganization of the NATO Council.

Within the next five days, Canada would be forwarding to Europe her views on the report of NATO's "three wise men" committee which has presented recommendations for a redistribution and increase in the joint burden of Western defence. He didn't deny that Canada has been asked to do more in Europe, but said nothing will be made public until Canada's allies know her stand.

The Minister of Finance, Mr. Abbott, might attend the meeting, starting January 29, of the 12-nation main NATO committee which will study the reactions of the NATO member nations to the "wise men's" recommendations.

Mr. Pearson said Canada has made further representations to Red China through the Indian Embassy in Peiping about the imprisonment of Canadian nuns and missionaries, but no reply has been received.

Consumer Credit Restrictions Eased: Ottawa, January 10 (CP) -- The Government today eased consumer-credit restrictions by extending the time-to-pay period to 18 months from 12 and promised further cuts this year if inflation eases.

Some Canadian business men gave a warm greeting to this apparent attempt to pull the consumer-goods industries out of a sales slump. Others felt the changes did not go far enough. Down payments, they believed, should also have been reduced. The modifications, first since the restrictions were imposed in October, 1950, go into effect Monday next, January 14. They include:

1. Pianos, organs, saxophones and other musical instruments purchased by the general public are freed from the regulations. The list does not include radios, television sets, record players or the like.

2. Customers may rent refrigerators, vacuum cleaners, washing machines and other consumer goods for as long as 12 months and they will not be liable to the credit restrictions. Previously the limit was six months. After that the Government considered the goods as purchased and enforced credit regulations.

3. However, the regulations no longer will be applied to all goods--with the exceptions of automobiles and motorcycles -- rented for use exclusively in a business, trade or profession. Taxicabs and trucks, considered vehicles for business, were not subject to the restrictions.