

8. The employer gives an undertaking on the application form to provide continuous employment for a period of one year, and termination of the arrangement can be provided for only as set out on the application form.

9. A minimum wage of \$35 per month has been established and no placements can be authorized at any lesser wage. Should the prevailing wage in any area exceed the minimum, it is expected that qualified domestic workers from Displaced Persons Camps will receive the wage prevailing in the area.

10. Expenses in connection with the placement of these domestic workers will be shared by the Dominion and the Provinces as provided for under the Dominion-Provincial Farm Labour Agreement.

EXPORT CREDITS INSURANCE: The substantial increase in protection afforded to Canadian exporters by the crown-operated Export Credits Insurance Corporation is revealed in the annual report tabled in the House of Commons by the Rt. Hon. C.D. Howe, Minister of Trade and Commerce.

As of December 31, 1947, its policies covered an estimated export volume of \$44,487,470, against risks not provided for in ordinary commercial insurance, such as the insolvency of the foreign buyer, cancellation of an import licence in the country of destination, and the risk of adverse changes in foreign exchange regulations. Policies written during 1947 covered exports of raw materials, agricultural products and manufactured goods from exporters all across Canada to a total of 71 different countries.

In noting a continually increasing demand for its services, Chairman M.W. Mackenzie reported that branch offices of the Corporation were opened during the year in Montreal and Toronto, and consideration would be given to establishing new offices wherever volume of business might warrant.

Staffed by only twenty-two officers and employees the Corporation showed a healthy financial position, with a substantial surplus of operating revenues over expenditures. In order to provide against possibility of a less favorable loss experience over a period of years the total excess of income over expenditure since the commencement of the corporation's operations has been credited to an Underwriting Reserve, which now amounts to \$584,336.07.

ADDRESS BY MR. ABBOTT: In an address before the Semi-Annual Meeting of the Academy of Political Science, in New York City, April 1, on Prices and Credit, Hon. Douglas Abbott, Minister of Finance, reviewed Canada's de-

control program and proceeded to analyze price levels as follows:-

"This program of decontrol, we believe, has been an orderly and well-considered one. It has followed a logical pattern and avoided the two extremes: on the one hand, the extreme of sudden withdrawal of all controls, leaving economic forces to adjust themselves to the new situation overnight and therefore chaotically; and on the other hand, the extreme of retaining for too long a full-fledged control program with its probable inevitable effect in restricting production and aggravating the problems of readjustment that must ultimately be faced. However, despite the orderliness and the gradualness of the decontrol program, it has been accompanied by an increase in the price level of fairly sizable proportions. Between December, 1945, and February, 1948, the index of the Canadian cost of living increased by 25%, and the index of wholesale prices by 41.8%.

COMPARISON OF INCREASES

"These increases are somewhat higher than the corresponding increase in a few other countries during the same period, but this is a reflection of the fact that Canada, at the end of 1945 and in relation to pre-war levels, showed smaller increases than almost any other country. Last December, in respect of our cost of living index we were still below all the other fifty countries for which figures are reported in the United Nations Monthly Bulletin of Statistics, excepting only Australia, New Zealand, Southern Rhodesia and the United Kingdom.

"This suggests that the major explanation of our recent price rise lies in price-raising factors outside our borders. Canada ranks as the third largest importer and exporter of goods in the world. In these circumstances we could not hope under normal conditions to insulate ourselves from the effects of the inflationary rise in prices throughout the world. With the coming of peace, the elaborate system of controls and subsidies, both on domestic goods and on imports and exports, with which we had safeguarded ourselves during the war had had to be withdrawn, piece by piece, and the Canadian structure had therefore been left more and more exposed to external influences.

DOMESTIC FACTORS

"I have no desire to belittle the domestic factors which contributed to the over-all result. A considerable part of the rise in the cost of living index over the past two years has been due to the cessation of subsidy payments and the widening of dealers' and manufacturers' margins following the release of controls. The most important factor, however, has been the boom which has been developing in my country as in yours. Despite the magnitude of the industrial reconversion problem with which V-J Day confronted us and the large

number of enlisted men and of war workers for whom new peacetime occupations had to be found, Canada made the transition from a wartime economy to a peacetime economy with astonishing speed and smoothness.

"In a little over a year we were again passing into a zone of full employment and since then we have been witnessing a real economic boom, particularly in the field of consumer goods and industrial capital expenditures. It is a boom of unprecedented proportions even though the public does not seem to be aware of it -- thanks largely, I suppose, to the abnormal way in which the usual barometer, the stock market, has been acting. Our gross national production has increased from \$11.6 billion in 1945 to over \$13 billion last year -- in 1938 it was \$5.1 billion. Personal expenditure on consumer goods and services increased from \$6.8 billion to \$8.7 billion in the last two years. In 1947 the grand total of new capital investment in Canada, including investment by industry, institutions, governments, farmers and housebuilders reached the unprecedented total of \$2.4 billion. A recent survey, based on current intentions, forecasts a comparable figure for 1948 at \$2.8 billion. To convert into your terms, these figures would have to be multiplied by about 18."

FISCAL POLICY

Of post-war fiscal policy, he said:-

"In the face of the developing postwar boom, we have tried to adapt and develop our fiscal and monetary policies in such a way as to restrain excesses without endangering full employment and maximum production. Never before has there been so great a world need for the maximum output of this Western Hemisphere and our problem, it has seemed to us, is to keep the productive car rolling along at optimum speed, avoiding both the reckless speed that would soon lead to disaster and the too sudden or too drastic braking that would skid the car into the ditch. This type of consideration was primarily responsible for the gradualness and orderliness with which we dismantled our wartime price controls, which I have already described. It has had an equally important influence on our policies in the field of credit and finance."

"In so far as fiscal policy is concerned, we have consciously followed a policy of maintaining taxes at such a level as would produce substantial surpluses in our Government accounts. True, our rates of tax on personal incomes have been cut substantially from the very high levels of wartime because they were threatening to impair output and undermine enterprise. But they are still very high as compared with pre-war levels. The excess profits tax was gradually reduced and finally eliminated only as from the first of this year. Corporations now pay to the Dominion Government a tax of 30% on net profits.

The rest of the wartime tax structure stands very nearly intact. As a result of these high tax rates and of high incomes and business activity, total Government revenues have been maintained at abnormally high levels.

"Last year I was able to report a substantial surplus and for our latest fiscal year which ended yesterday, I shall be reporting to Parliament in a budget speech a few weeks hence another surplus of such a magnitude as to bring a glow to the heart of any Canadian Minister of Finance."

FREEDOM OF INFORMATION: Raul Noriega (Mexico) opened the Thursday afternoon, March 25, session of Committee III (Free Publication and Reception of Information) of the U.N. Conference on Freedom of Information in Geneva, the U.N. Information Center, Geneva, reported, with the announcement that Committee II and III would form a mixed Committee to study the following five points:

(1) Obligatory or voluntary transformation of daily newspaper into co-operative societies, trust foundations, limited companies or other forms of property designed to promote control for public interests;

(2) Measures to prevent the establishment of special relations between information media and financial, commercial or industrial enterprises which could undesirably influence or corrupt the media;

(3) The obligation to reveal an owner's name and financial controls;

(4) Regulations concerning the origin of capital; and

(5) Measures to suppress all advertising pressures.

This agenda was unanimously adopted.

The Canadian, Danish, Argentine and Swiss Delegates each made statements supporting absolute freedom of information within the law, and Canada added a statement showing the need for wartime censorship.

MR. DESY STATES VIEWS

In Committee I, in the continued general debate on basic principles, Jean Desy, head of the Canadian Delegation, urged concentrated efforts by all to concentrate in the future on achievements rather than on past errors. Concepts of National Sovereignty and rights should never justify "bondage in the name of freedom."

"We have cause to know that if freedom is denied in any part of the world, freedom everywhere is endangered," he said.

The purpose of the conference, Mr. Desy continued, was to draw up an international code to "expand and universalize our national freedoms, defining the concept of freedom and drawing up rules for its application." To achieve this Canada was prepared to consider "certain concessions on the national level which will bear fruit on the international level."