

**INTERNATIONAL PAYMENTS:** Canada's official reserves of gold and United States dollars fell by \$743 million in 1947, dropping to \$502 million at the end of the year from \$1,245 million at the end of 1946, according to the preliminary statement on the Canadian balance of international payments released by the Dominion Bureau of Statistics.

The large loss in official reserves was due chiefly to the combination of a greatly enlarged current deficit with the United States and the large amount of exports to the United Kingdom and other overseas countries financed by Canadian Government loans and export credits. Excluding contributions of official relief, of \$38 million, Canada's surplus of credits on current account with all countries was \$47 million. But no convertible exchange was received from overseas exports financed by export credits amounting to \$563 million. In addition, there were net outflows of capital of \$154 million, mainly for redemption of Canadian securities owned abroad, and the gold subscriptions of \$74 million by Canada to the International Monetary Fund.

#### ACCOUNT WITH U. S.

Principal changes in 1947, as compared with 1946 when the loss of official reserves was much smaller, were a sharp reduction in the current account surplus with all countries to \$47 from \$357 million in 1946 and a widening of the gaps in the accounts both with the United States and with overseas countries. The amount of disequilibrium in Canada's account with the United States was greater than ever before, while the credit balances in the accounts with overseas countries were exceeded only by the balances in certain wartime years. Specifically, the current deficit with the United States increased from \$613 million in 1946 to \$1,138 million last year. At the same time, the current surplus with overseas countries rose from \$970 million to \$1,185, of which \$563 million were financed, as already stated, by loans and export credits as compared with \$750 in 1946.

The reduction in Canada's current surplus with all countries in 1947, the report states, resulted from the relatively small growth of about 11 per cent in current receipts as compared with the more substantial growth of about 25 per cent in current expenditures abroad. The growth in imports was of basic importance in the latter increase. While higher prices both for exports and imports account for some of the increased value of commodity trade, there was an appreciable growth also in the volume of Canada's imports, which was widely distributed as to types of commodities. This growth was affected by improving supplies of commodities in the United States as well as by heavy Canadian demands for imports arising from the record levels of Canadian consumption and private investment. On the other hand, the aggregate volume of Canadian exports does not

appear to have been greatly different from 1946, although the composition showed some changes. Further, the total value of exports in 1947 was affected by contracts with the United Kingdom, which in some instances were at prices less than those prevailing elsewhere during the year.

**SECURITY TRANSACTIONS:** The increase in volume in international sales and purchases of securities which was evident in December and January did not continue into February. Total transactions in February were 20 per cent less than in January and were equivalent to an average month in the latter part of 1947. Sales and purchases each decreased by the same amount, \$3.5 million, with the result that the purchase balance in February of \$2.5 million was the same as in January.

During the first two months of 1948 net purchases from all countries totalled \$5 million. The corresponding period in 1947 produced a sales balance of \$3.2 million, but that was contrary to the general trend of the year which resulted in a net outward movement of \$18 million. Transactions in January and February followed a common pattern in which repurchases of Dominion bonds and Canadian stocks were prominent features.

Sales to the United States in February declined more than purchases, resulting in a larger outflow of capital to that country than in January. The purchase balance with the United States of \$2.7 million in February was due principally to repurchases of Dominion bonds and Canadian stocks.

In trade with the United Kingdom, net sales of United Kingdom stocks practically balanced net purchases of Canadian bonds, resulting in a purchase balance of less than \$0.1 million. Transactions with other countries were somewhat lighter than in January, and a purchase balance of \$0.1 million in that month was replaced by a sales balance of \$0.2 million in February.

**INDUSTRIAL EMPLOYMENT:** Industrial employment at the first of March was 4.8 per cent higher than a year ago, but slightly lower than at February 1, according to preliminary figures released by the Dominion Bureau of Statistics. The advance index number of employment in the eight leading industrial divisions, on the base 1926=100, was the highest on record for the first of March, standing at 189.0 compared with 189.3 for February 1 and 180.4 for March 1, 1947. The advance figure of weekly earnings was \$39.44, also a new all-time high, comparing with \$36.83 at February 1 and \$35.61 at March 1, 1947.

Provincially, the outstanding change at March 1, 1948, as compared with a month earlier was the increase in Alberta, largely resulting from the re-employment of coal miners following the settlement of the dispute which had greatly affected the situation at February 1. Improvement was also indicated in Ontario, and there

was a slight gain in Prince Edward Island. The trend in the remaining provinces was downward; this was due in part to seasonal curtailment in construction and certain other industries, but there were also declines in logging.

**SHORTWAVE TO BRAZIL:** The International Service of the Canadian Broadcasting Corporation - "Voice of Canada" - has announced the inauguration of a regular daily shortwave programme service in Portuguese, directed to radio listeners in Brazil. This represents an important expansion from the weekly service which has been in operation for the last two years.

The Portuguese programme, which is beamed from the CBC station at Sackville, N.B., may be heard each evening at 7.30 p.m. E.S.T. on the following frequencies: - CKCX - 15.19 megacycles or 19.75 metres; and QKNC - 17.82 megacycles or 16.84 metres.

**PETROLEUM PRODUCTS:** Canadian output of refined petroleum products in January totalled 5,713,842 barrels, which was slightly below the December production but substantially higher than the output of 5,018,382 barrels in January last year. Refineries used 6,248,374 barrels of crude oil in the month as against 5,486,637 barrels in January, 1947.

The January output included 2,473,557 barrels of motor gasoline; 25,676 barrels of aviation gasoline; 1,387,710 barrels of heavy fuel oil; 1,086,336 barrels of light fuel oil; 252,005 barrels of kerosene and stove oil; 39,361 barrels of tractor distillate; 88,148 barrels of naphtha specialties; and 361,049 barrels of products such as lubricating oils, asphalt, coke, etc.

Receipts of crude oil during the month totalled 5,134,492 barrels, including 4,403,609 barrels of imported oil and 730,883 barrels from Canadian sources of supply.

**CAR LOADINGS:** Car loadings on Canadian railways for the week ended April 17 amounted to 74,681 cars as compared with 77,789 cars for the previous week and 72,813 cars for the corresponding week last year. Grain at 5,310 cars was heavier than for the previous week but down 2,428 cars from last year's loadings; grain products also showed a reduction and the miscellaneous group was down by 446 cars.

**SASKATCHEWAN FARM POPULATION:** Total farm population in Saskatchewan on June 1, 1946, was 434,039, showing a decrease of 80,638 or 15.7 per cent from the 1941 total, according to preliminary figures of the 1946 Census of the Prairie Provinces released by the Dominion Bureau of Statistics. In the previous five

years the loss in farm population was 59,217, making a total decrease of 193,855 or nearly 25 per cent in the 10-year period between 1936 and 1946.

**STRIKES AND LOCKOUTS:** The time loss due to strike activity in Canada during March, 1948, showed a substantial decrease as compared with the previous month and with March, 1947; it was shown in the monthly summary of strikes and lockouts issued by Honourable Humphrey Mitchell, Minister of Labour.

Preliminary figures for March, 1948, show 14 strikes and lockouts in existence, involving 3,725 workers and causing a time loss of 56,808 man-working days, as compared with 15 strikes in February, 1948, with 11,082 workers involved and a time loss of 140,945 days. In March, 1947, there were 21 strikes, involving 17,070 workers, with a time loss of 378,580 days.

**"NEW BLOOD" FOR R.C.A.F.:** "New Blood" for R.C.A.F.'s aircrew, more important than ever with advent of jet-planes and near sonic speeds, is flowing into the Air Force under the new peacetime aircrew training scheme. Peacetime flying training is rapidly swinging into stride with more than 100 new pilots and radio-navigators having begun courses at Centralia and Clinton, Ont., a total which is steadily increasing as further intakes of aircrew trainees commence instruction, it was announced by Air Force Headquarters, Ottawa.

Under the R.C.A.F.'s new aircrew training plan aimed at keeping a steady stream of young flyers flowing into the R.C.A.F., and also supplying a permanent pool of trained men available for emergency, six-year "short-service" commissions are offered to high school graduates between the ages of 18 and 22 who have senior matriculation, and to qualified airmen serving in the ranks. Permanent commissions are available to selected university graduates and to a proportion of the short-service aircrew.

The war's end found Canada with a larger number of trained aircrew per capita than any other country, and flying personnel retained in the peacetime force were all wartime veterans. Despite the tremendous pool of trained aircrew which still exists, continued dependence upon these veterans would result in large numbers of the R.C.A.F.'s flying personnel becoming over-age in the near future, creating an impossible replacement problem. The constant influx of young aircrew trainees under the short-service commission scheme is planned to avoid this, and to keep the average age of aircrew at a low figure.

In addition, the plan will furnish a steady supply of trained veterans to the Auxiliary and Reserve Forces, ready to be drawn upon in emergency. This group will gradually take the place of the present reserve force of wartime veterans, although it would be impossible to