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SPECIAL FORCE AVAILABLE FOR EUROPE

by the most efficient use of the vastly greater industrial potential of the free world, particularly on this continent.

"At the present time, the most serious obstacle to the creation on the Continent of Europe of extensive military forces on our side is the shortage of actual equipment and of the capacity to produce equipment, weapons and supplies.

"For the immediate future, therefore, the most urgent need of all our European allies is the need of military supplies to be put into the hands of men who are on the spot and who are capable of forming effective military forces. To provide real security, these forces must be properly equipped and the people of Western Europe must be completely convinced that we in North America are making effective and sincere plans to help them defend their homelands, and not merely to liberate those countries if they should be overrun. That is the real purpose of the integrated force.

"So far as Canada is concerned, we need both forces in being, and a set up for mobilization in the event of a general war. And we shall also need a substantial industrial effort to produce weapons, equipment and supplies for both ourselves and our allies, and to do so just as quickly as joint production plans can be formulated on which appropriate Canadian action can be based.

"So far as Canada is concerned, the financial aspects are being looked after. At the recent session of Parliament \$300,000,000 was appropriated as a substantial first step in this programme. Just as rapidly as we can reach agreement with our allies on what Canada can provide most effectively, we shall be turning to the members of your Association to help us in the performance of that task. Meanwhile, as I do not need to tell you, we have already stepped up production in a number of directions for our own forces...."

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JULY RECORD IN CRUDE PETROLEUM: Canadian production of crude petroleum in July rose to a new high total of 2,609,778 barrels as compared with 2,181,342 in the preceding month, and 1,775,320 in July, 1949. This brought the cumulative output for the first seven months of this year to 15,108,033 barrels as compared with 11,587,915 in the corresponding period last year.

July output in Alberta at 2,470,041 barrels --95 per cent of the all-Canada total-- showed a gain of 780,117 barrels over July last year. The month's production from sources in Saskatchewan amounted to 94,417 barrels as compared with 54,362, Northwest Territories 22,902 barrels as compared with 6,631, Ontario 20,984 barrels against 22,714, and New Brunswick 1,434 barrels against 1,689.

Production of natural gas in July amounted to 3,824,261 M cubic feet as compared with

3,582,634 in June, and 3,473,012 in July last year, bringing the cumulative total for the seven months of this year to 40,217,490 M cubic feet as compared with 36,441,872 in the like period of last year.

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EMPLOYMENT, PAYROLLS HIGHER: Employment in the major non-agricultural industries showed a further rise at the beginning of August -- the fifth successive monthly advance-- and the Bureau of Statistics' index number, on the 1926 base, rose to a new midsummer peak of 204.1, up 0.9 per cent over July, and 1.8 per cent higher than at the beginning of August last year.

Disbursements in wages and salaries reached a new all-time high figure on August 1, showing an increase of 1.1 per cent over July 1, and an advance of 7.2 per cent over August 1, 1949. The figure for per capita weekly earnings -- also a new high -- was only slightly above the July 1 average, but 5.2 per cent higher than at August 1 last year.

Provincially, the most pronounced advances in the general index of employment as compared with July, were those of 2.9 per cent in British Columbia, and 4.3 per cent in Prince Edward Island. The trend in most of the 23 cities for which data are segregated was favourable, although curtailment was noted in seven centres. With the exception of trade (which was seasonally quiet), all the principal industrial groups reported a higher level of employment than at July 1; on the whole, however, the gains were moderate.

Further expansion, though on a smaller scale than at July 1 was noted in manufacturing generally at the beginning of August, when the index of employment rose 0.6 per cent and that of payrolls by 0.7 per cent. As compared with the same date last year, there were gains of 1.4 per cent and 7.7 per cent in the employment and payrolls indexes, respectively.

Among the non-manufacturing classes generally, there was also moderate improvement at August 1 as compared with a month earlier. The exception was trade, in which the reduction of 0.5 per cent was about average in extent. The amounts distributed in weekly salaries and wages in that industry, however, were slightly greater than at July 1.

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MAJ.-GEN. PENHALE RETIRING: Major-General Matthew Howard Somers Penhale, CBE, 55, of Edmonton, is retiring at the end of 36 years of distinguished service in the Canadian Army, the Minister of National Defence, Mr. Claxton, announced on October 11. Major-General Penhale is now General Officer Commanding the Army's Western Command, with headquarters at Edmonton, Alta., and saw active service in two world wars. Following the highly successful Exercise Sweetbriar, General Penhale's service was carried on for an additional year, Mr. Claxton said.