

**FAVOURABLE BALANCE WITH U.S.:** Canada had a favourable trade balance with the United States in September of \$11,400,000 -- the first credit balance since August, 1945 when shipments were still heavy for the war in the Pacific and the first substantial peacetime credit balance since the middle Thirties, according to figures released by the Bureau of Statistics. The credit balance in September together with successive decreases in the adverse balances in earlier months of this year, brought the cumulative debit balance for the nine months to \$265,700,000 compared with \$718,300,000 in the similar period of 1947.

September's commodity trade balance with the United Kingdom was favourable to Canada to the extent of \$24,100,000 as compared with \$27,900,000 in August and \$39,400,000 in the corresponding month last year. During the first nine months of this year, the balance in favour of Canada amounted to \$300,100,000 compared with \$411,500,000 a year ago.

The month's favourable balance of trade with all countries was \$64,400,000, highest so far this year, as compared with \$20,000,000 in August and \$13,400,000 in the same month last year. During the nine months ending September, the all-countries credit balance was \$261,600,000 as against \$135,000,000 in the like period of 1947.

Foreign trade of Canada in September was valued at \$507,700,000 as compared with \$429,700,000 in the corresponding month last year. The month's imports were valued at \$221,700,000 compared with \$208,100,000, domestic exports \$283,000,000 compared with \$218,600,000, and re-exports \$3,010,000 compared with \$2,982,000.

Aggregate value of external trade for the first nine months of this year was \$4,108,200,000 as against \$3,927,500,000 a year ago. Merchandise imports totalled \$1,923,300,000 as against \$1,896,200,000 last year, domestic exports \$2,158,200,000 compared with \$2,004,900,000, and foreign exports \$26,700,000 compared with \$26,400,000.

**IMPORTS FROM U.S. DOWN:** Merchandise entered for consumption in Canada was valued at \$221,700,000 in September, and \$1,923,300,000 in the nine months ending September, according to the Bureau of Statistics. Both figures were moderately higher than in 1947, last year's September total amounting to \$208,100,000 and in the nine-month period, \$1,896,200,000.

Imports from the United States in September were valued at \$152,738,000, down \$10,288,000 from September last year. In the nine-month period, the aggregate was \$1,322,765,000, a decrease of \$145,424,000 from 1947. September purchases from the United Kingdom had a value of \$24,100,000 compared with \$15,557,000, and in the nine months, \$217,292,000 compared with \$133,001,000.

Purchases from Latin American countries as a group moved up to \$18,506,000 in September from \$14,174,000 a year ago, and in the nine-

month period to \$167,267,000 from \$112,116,000.

Merchandise imports from Australia in September were up from \$551,000 to \$2,953,000, and in the cumulative period from \$11,229,000 to \$17,107,000.

Higher import values were recorded in September and in the nine months for only three of the nine main commodity groups, but the non-metallic minerals group -- which has shown an outstanding advance this year -- alone was higher both in the month and nine months.

**DISCUSSIONS ON SPORTS:** The National Council on Physical Fitness has issued invitations to more than 30 national sports organizations, both amateur and professional, to attend a meeting on January 7 and 8 to consider ways of promoting greater participation in sports in Canada.

Issued by the acting chairman of the Council, J.H. Ross of Calgary, the invitation reaffirms the Council's stand that it has no desire for nor will it accept any responsibility for governing sports in Canada. The members of the Council feel, the invitation states, that the time is opportune for a meeting at which problems of mutual concern may be discussed by representatives of the sports groups and solutions considered for any difficulties which may exist. The overall aim is to foster both the fitness and pleasure arising from greater participation in sports.

**REVIEW OF PAYROLLS:** Continuing an upward movement that has been uninterrupted since March, 1946, average hourly earnings in manufacturing reached a new maximum of 93.4 cents in the week of September 1 this year, the Bureau of Statistics reports in its monthly review of payrolls. The new peak, largely a result of increases in wage rates, compares with 92.7 cents at the first of August and 82.2 cents in the first week of September last year.

Aggregate hours worked by hourly-rated wage-earners in the larger factories rose by 0.8 per cent in the week of September 1 over the previous month, while the number of wage-earners for whom data were reported increased 1.6 per cent. Seasonal activity in the food-processing, lumber and other industries, the Bureau states, was largely responsible for the increase in employment, while extreme heat tended to shorten the average working week in many establishments.

Among the non-manufacturing industries, average hourly earnings in coal mining showed a slight increase over August 1 and amounted to 126.7 cents at September 1 compared with 111.1 cents a year earlier. Hourly earnings of wage-earners engaged in the extraction of metallic ores, also slightly higher than the previous month, were 113.8 cents as against 102.6 cents. In the non-metallic mining group, the latest figure was 96.8 cents compared with 80.2 cents.

hope these negotiations will be successful. When a Treaty is concluded it will be for our Parliament to decide whether Canada is to accept it or to reject it. Everyone, I believe, will agree that our geographical situation, our historic ties, our material well-being, and, above all, our national security, make it imperative for Canada to take an appropriate place in this Atlantic community.

"The establishment of international peace and security is the greatest problem we face today. It is Canada's first concern in world affairs. For my part, I believe that the most certain and the most practical approach to security for us is the achievement, as soon as possible, of an alliance of the North Atlantic nations. It is not enough to have right on our side; it is just as important to have the strength to defend the right. The only way to achieve that strength is for us and the other North Atlantic nations to combine our resources.

#### COLLECTIVE SECURITY

"We know only too well where isolationism leads. The last war proved conclusively that isolationism is no guarantee of security. True, one or two small countries were able to maintain their neutrality and yet survive, but we know that was only because of the Allied victory. If the other free nations had not won the war, the few neutral states would soon have come under the Nazi yoke. The choice we face today is a choice between isolationism with its certain weakness, and the hope, through collective action, of preventing another war. I consider it is my duty to make the utmost effort, both within Canada and in our negotiations with the other governments concerned, to have a system of collective security firmly established. We do not want a third world war. Let us all do everything we can to prevent it.

"As you know, I have just returned from London where I took Mr. King's place at the meeting of Commonwealth Prime Ministers. I am happy to be able to say that all the nations of the Commonwealth found themselves in agreement on a great number of questions of common interest. In particular, the nations of the Commonwealth were all agreed on their continued support for the United Nations. They all hope that one day all the nations of the world will reach an understanding with one another and will come to work together to assure all men, not only peace and security, but also the greatest possible measure of well-being and prosperity.

"It is enough, however, to glance at a map of the world to convince oneself that in meeting the menace of totalitarian Communism, the British Commonwealth by itself does not constitute a system of collective security. The Commonwealth countries must obviously combine with other neighbouring countries if there is to be any real security. Great Britain recognized this truth when she became a member of

the Western Union. I have said that the British Commonwealth of Nations does not constitute by itself a system of collective security. The same can be said of Western Union, left to itself. The United States and Canada cannot alone assure the maintenance of international peace, which is so necessary to their own security. Anything less than a North Atlantic Pact would give us no real hope of maintaining a preponderance of material and moral strength on the side of peace. And it is only if we can maintain an overwhelming preponderance on the side of peace, that we can maintain the peace.

"We must get clearly into our minds the fact that a Security Treaty will not be fully effective if it is nothing more than a military alliance. In order to create and maintain an overwhelming preponderance, we must have on our side not only military strength but also economic strength and moral strength.

"The economic reconstruction of Western Europe is thus an essential condition of our own Canadian security. In helping to reconstruct Western Europe, we have acted in our own best interests.

#### SPIRITUAL UNITY

"How can we add to the moral strength on our side? We can do it, I suggest, if the North Atlantic Alliance is the outward and visible sign of a new inward and spiritual unity of purpose in the free world. The alliance must be a sign that the North Atlantic nations are bound together not merely by their common opposition to totalitarian Communism but also by a common belief in the values and virtues of our Western civilization, and by a determination to work for the promotion of mutual welfare and the preservation of peace.

"If a third world war should break out, Canada could not be neutral. We are situated right between two great powers, and whether we liked it or not, another world war would be fought at our very gates. It would moreover, be a conflict not merely between two great powers, but between an atheistic communist world and our democratic Christian civilization.

"It is no secret for anyone that the leaders of the Soviet Union aspire to world domination. It is equally clear that they count as much on the weaknesses of the free nations as they do on their own armed strength. By demonstrating to the Soviet Union that the free nations of the world are really taking the measures necessary to defend themselves and to ensure respect for the principles of the Charter, the free nations may well convince the Soviets that it would be impossible for them to win a war if they started one. Now no one is likely to start a war with the prospect of losing it.

"What I want particularly to emphasize at this point is that we should build up our strength not for the purpose of waging war, but for the purpose of preventing war. We want to avoid a repetition of the tragedy of a totalitarian power conquering the nations of a