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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S MONTREAL ADDRESS: Following is a partial text of the address delivered by the Secretary of State for External Affairs, Mr. Pearson, to the Rotary Club of Montreal on July 19:

"....In ordinary circumstances, a nation believes that its best interests are served when the world is at peace, and when economic and social conditions generally are stable. At the moment, however, the conduct of international relations is grievously complicated by the fact that one group of states, directed and controlled by one of the world's great powers, does not seem to believe in the principles of social stability or peaceful progress. These states, led by the U.S.S.R., have committed themselves to the reactionary and destructive principles of revolutionary communism.

"No matter what their leaders may occasionally say to foreign journalists for outside consumption, their own considered words and actions prove beyond doubt that it is an article of their faith that conflict between Communism and free democracy is inevitable. They, therefore do not believe that anything should be done to increase the security or the prosperity of any state which is not a communist state. On the contrary, they follow the doctrine that in the non-communist world disorder must be provoked and encouraged; that

discord amongst groups in society must be fostered; that nation must be set against nation, and every co-operative effort for peace and stability must be hindered and frustrated to the fullest extent possible....

"One of the difficulties we meet in countering these communist tactics of delegations ... at international conferences is the extreme discipline which the Soviet Union is able to impose within its bloc. There are, of course, generally two points of view in the United Nations -- the communist view held by a small but aggressive minority, and the non-communist view usually held by the great majority of states. By their very nature, however, the democratic states find it difficult to impose upon themselves or upon each other the rigid discipline which the communist states achieve.

"There is no 'automatic majority' (that is the phrase the Communists use), amongst the democratic states. The Communists know this very well. Often, at the very moment when they are denouncing this 'automatic majority', they are also doing their best to split the western vote, which they could not do unless that vote were free. They are fully aware of the fact that a policy put forward by a Western state in the United Nations secures support from other democratic delegations only if that policy is able to carry the conviction of

NEWFOUNDLAND HEALTH GRANT: The first payment to Newfoundland under the federal Government's National Health Program has been made to meet the expenses of a complete survey of the Province's present health services and future needs the Minister of National Health and Welfare, Mr. Martin, announced on July 15.

Newfoundland is entitled to \$119,779 for health survey purposes, with progress payments being made as the survey goes forward.

A Central Health Planning Committee has been formed, consisting of the heads of the main divisions and the superintendents of the principal institutions operated by the provincial Department of Public Health and Welfare, Mr. Martin explained. This committee will study and make recommendations on the problem of providing medical care; the best ways of increasing the present number of hospital beds; improved methods of tuberculosis control; the need for preventive medical services and their relationship to existing or planned facilities for medical care and hospitalization; the development of health education; the need for medical, nursing and dental personnel; the provision of maternal and child health services with special consideration to pre-natal care and hospitalization for expectant mothers; and the relationship of the provincial health department to voluntary health agencies.

The survey is being undertaken under the direction of Dr. Leonard Miller, Director of Medical Services for Newfoundland, assisted by specialists supplied by the federal Department in Ottawa.

CROP PROSPECTS: Crop prospects for all of Canada's more important field crops, except oats and sugar beets, were less favourable at June 30 this year than a year ago, according to the report on numerical condition of field crops at that date by the Bureau of Statistics. While conditions varied in different parts of the country, the all-Canada prospects for all major crops were also for yields below the long-time averages.

For wheat, the numerical condition, expressed as a percentage of the long-time average yield, was placed at 72 per cent at June 30, as compared with 95 per cent at June 30 last year. Adverse temperature and moisture conditions in the fall wheat belt of Ontario and in much of the spring wheat area of western Canada account largely for the low level of this year's wheat condition figure.

The dry, hot spring and lack of pre-seasonal rainfall in the major rye-growing areas of the West affected the development of the rye crop to such an extent that at 54 per cent, this crop had the lowest over-all condition figure of any Canadian field crop this year. At the same date last year the figure was 78 per cent.

The numerical figure for oats stands at 81 per cent as compared with 80 a year ago; barley, 76 compared with 78; peas, 81 (90);

beans, 89 (96); buckwheat, 86 (96); mixed grains, 76 (96); flaxseed, 80 (83); corn for husking, 90 (94); potatoes, 89 (95); turnips, etc., 83 (93); hay and clover, 76 (94); alfalfa, 68 (92); fodder corn, 88 (94); sugar beets, 98 (90); pastures, 80 (97).

In the Prairie Provinces, the condition of the principal cereal crops at the end of June was reported as follows: figures for June 30, 1948 being in brackets: Manitoba -- wheat, 108 (113); oats, 95 (88); barley, 94 (87); rye, 90 (92); flaxseed, 91 (90). Saskatchewan -- wheat, 70 (93); oats, 82 (68); barley, 74 (72); rye, 45 (73); flaxseed, 71 (75). Alberta -- wheat, 61 (94); oats, 62 (76); barley, 61 (76); rye, 53 (85); flaxseed, 65 (82).

EMPLOYMENT HIGHER: The trend of employment in the major industrial divisions was upward at the first of May as compared with April 1, advances being shown in Quebec and the four western provinces, and declines in the remaining provinces. The increase was seasonal in character and was accompanied by a small rise in the sums disbursed in weekly salaries and wages.

According to information furnished the Bureau of Statistics by 20,204 leading establishments, their staffs at May 1 rose 0.6 per cent over April 1. Based on the 1926 average as 100, the index number of employment stood at 188.6 -- a new high for the time of year -- as compared with 187.6 for April 1, and 186.5 for May 1, 1948.

Industrially, there were general increases in employment in all major groups except logging, in which there was a seasonal loss of 31.4 per cent. The gains in manufacturing and mining were slight, in each case amounting only to 0.1 per cent. These advances were below-average for May 1. The additions to the staffs reported in the other divisions ranged from 1.3 per cent in trade to two per cent in communications and 9.7 per cent in construction.

The reported earnings averaged \$43.16 per person in recorded employment in the week of May 1 as compared with \$43.35 at April 1 and \$39.70 in the corresponding week last year.

MR. CHEVRIER TO LONDON: The Minister of Transport, Mr. Chevrier, left for London on July 17 to represent Canada at a civil aviation conference. He was accompanied by John R. Baldwin, Chairman of the Air Transport Board, A.S. MacDonald, legal adviser to the Board and a representative of the Department of External Affairs.

The meeting is being held in order to review and co-ordinate existing civil aviation agreements between Canada and the United Kingdom. The discussions will include matters relating to trans-oceanic aviation services, both Atlantic and Pacific.

10-YEAR SURVEY OF TRADE VOLUME

ALMOST DOUBLE 1938 QUANTITY: While the value of Canadian exports rose 267 per cent from 1938 to 1948, the physical volume rose only 73 per cent in the same period, measured by indexes of quantum and prices just completed by the Bureau of Statistics. Total value of imports rose by 290 per cent in the same period, while the physical volume rose 81 per cent.

In terms of currency, the physical volume of Canadian exports on the basis of constant 1938 dollars rose from \$848 million in 1938 to \$1,464 million in 1948, as compared with \$3,110 million for 1948 on the basis of current values. In the case of imports, physical volume rose from \$678 million in 1938 to \$1,223 million in terms of 1938 dollars, the latter comparing with the actual dollar value of \$2,637 million in the trade returns.

According to the Bureau's indexes of prices of exports and imports, prices of exports had risen in 1948 by 112 per cent over 1938, and the prices of imports nearly 116 per cent. Deflating the total values by these increases gives the indicated increases in total volume shown above.

In applying its prices index to the trade value figures the Bureau finds that exports in

1946 were 62 per cent greater and imports 72 per cent greater than in 1938. In 1947 the physical volume of exports had advanced still further to 71 per cent and imports to 99 per cent -- almost double the 1938 quantity.

The indexes computed by the Bureau to measure price changes indicate different rates of increase in prices for exports and imports. Last year, for instance, prices for imported goods rose 13 per cent, while those for exports moved up 10 per cent. As a result, the terms of trade were less favourable to Canada in 1948 than in the years preceding.

Assuming that on the price basis of 1938 Canada received 100 units of imports for every 100 units of exports, the Bureau observes that in 1946 the terms of trade were more favourable, since Canada then obtained 102.5 units of imports for every 100 units of exports. In 1947, however, the figure for imports dropped to 101.3, and in 1948 Canada exchanged 100 units of exports for 97.5 units of imports.

The following table shows Canada's imports and exports in 1938, 1946, 1947 and 1948 in actual dollars, and in constant 1938 dollars as estimated by the Bureau:

Year	Foreign Trade		Volume Indexes		Estimate of Foreign Trade	
	(Million Dollars)		(1938=100)		in Constant Dollars (1938)	
	Exports	Imports	Exports	Imports	Exports	Imports
1938 ...	849	678	100	100	848	678
1946 ...	2,339	1,927	162.2	172.0	1,378	1,164
1947 ...	2,812	2,574	171.4	199.5	1,455	1,348
1948 ...	3,110	2,637	172.9	181.0	1,464	1,223

U.N. SCIENTIFIC CONFERENCE: The Secretary of State for External Affairs, Mr. Pearson, announced on July 15 that the Canadian delegation to the United Nations Scientific Conference on the Conservation and Utilization of Resources, to be held at Lake Success from August 17 to September 6, will be headed by the Deputy Minister of Mines and Resources, Dr. H.L. Keenleyside.

Authorized by decisions of the Economic and Social Council of the United Nations, the Conference is to be devoted to an exchange of ideas and experience on the techniques of resource conservation and utilization, their economic costs and benefits, and their interrelations. The Conference will have no policy-making responsibilities. It will not bind governments nor will it formulate recommendations to them.

Members of the Canadian delegation will be: Dr. G.S.H. Barton, Special Assistant to the Minister of Agriculture;

Dr. A.L. Pritchard, Director, Fish Culture Development, Department of Fisheries; H.D. Fisher, Fisheries Research Board, Department of Fisheries; and four officials of the Department of Mines and Resources: Dr. G.C. Monture, Chief, Mineral Resources Division; A. Ignatieff, Fuels Division, Bureau of Mines; George Tunstell, Dominion Forest Service; I.R. Strome, Dominion Water and Power Bureau.

During the Conference, papers will be presented by representatives of the National Research Council, the Department of Mines and Resources, Fisheries and Agriculture, the Ontario Research Foundation, and Canadian universities and industries.

Dr. Keenleyside will present a paper reviewing the current world position respecting mineral supplies and needs at the opening meeting of the Conference.

RAILWAY REVENUES: Continuing the advances of previous months this year, operating revenues and expenses of railways showed further increases in April over the corresponding month last year. The rise in operating expenses was somewhat larger than in revenues, resulting in reduced net operating revenues and operating income.

According to figures released by the Bureau of Statistics, operating revenue for the month totalled \$72,670,000, an increase of 2.6 per cent over April last year, while operating expenses advanced 10 per cent to \$67,661,000. All operating revenue accounts registered improvement over last year. Freight revenues levelled off from \$57,623,000 compared with \$57,528,000. Passenger revenues were up 12.4 per cent to \$6,852,000, due mainly to increased tariffs and longer average journey.

Maintenance expenses required \$29,092,000 during the month, an increase of \$4,032,000 over April 1948, with way and structures up 20 per cent, and maintenance of equipment advancing 13 per cent. Transportation expenses rose five per cent to \$32,541,000, while other accounts were heavier.

Revenue freight carried during the month declined 7.4 per cent in tonnage but only 1.9 per cent in ton mileage. Revenue passengers numbered 2,699,490 compared with 2,821,333, but passenger mileage improved by 4.5 per cent. Total pay-roll reached \$39,376,000 for 172,200 employees as against \$34,286,000 for 172,800 employees one year earlier, a per capita advance of 15 per cent.

CARLOADINGS: Carloadings on Canadian railways for the week ended July 9 rose to 72,936 cars, up sharply from the low of 62,056 cars in the holiday week of July 2, but were off 3,622 cars or five per cent from the 27th week last year, according to the Bureau of Statistics.

IRON AND STEEL: Production of pig iron in Canada amounted to 180,700 net tons in April as compared with 202,100 in the preceding month and 170,800 in the corresponding month last year, according to the Bureau of Statistics. During the first four months of this year, 738,700 tons were produced as against 654,600 in the similar period last year.

MAJ. GEN. LETSON HONOURED: Major-General H.F.G. Letson, CB, CBE, MC, ED, secretary to the Governor General of Canada, has been appointed Honorary Lieutenant-Colonel of the British Columbia Regiment (13th Armd. Regt.), the Minister of National Defence, Mr. Claxton, announced on July 15.

(C.W.B. July 22, 1949)

ELECTRIC ENERGY: Continuing the gains of earlier months, output of electric energy by central electric stations in Canada showed an advance of five per cent in May over the corresponding month last year to reach the highest monthly total on record. Total for the first five months of this year increased three per cent over the similar period of 1948. All provinces shared in the month's advance, while in the cumulative period production was higher in all with the exception of Quebec.

According to figures compiled by the Bureau of Statistics, the month's output amounted to 4,271,027,000 kilowatt hours as compared with 4,072,973,000 in May last year. In the five-month period, 19,444,285,000 kilowatt hours were produced as against 18,805,995,000 in the like 1948 period.

TRANSPORT DEPT. APPOINTMENTS: Promotion of two officials of the Department of Transport to senior administrative positions and re-alignment of the administrative services of the Department, was announced on July 18 by the Minister of Transport, Mr. Chevrier.

Wilbert Jamieson Matthews, General Counsel of the Department, has been appointed Director of Administration and Legal Services. This position replaces that of Assistant Deputy Minister and Comptroller made vacant by the untimely death of F.M. MacLennan in May.

Frank Thomas Collins, Secretary of the Department, assumes the newly created positions of Executive Assistant and Departmental Secretary. Mr. Collins also retains the position of Administrative Assistant to the Minister.

TRAINING WITH U.S. NAVY: Thirty-five officers of the Royal Canadian Navy flying as pilots and observers with the 18th Carrier Air Group, are now engaged in three months training and manoeuvres with the United States Navy.

The group, consisting of two squadrons of Firefly anti-submarine aircraft, flew from the R.C.N. Air Station, Dartmouth, N.S., to the U.S. Naval Air Base at Quonset Point, Rhode Island, on July 7.

FRANCE'S 17 AWARDS: Seventeen awards have been conferred by the Government of France upon members of the wartime Royal Canadian Navy, Canadian Army and Royal Canadian Air Force, the Minister of National Defence, Mr. Claxton, announced on July 15. The awards are in recognition of distinguished services in the cause of the Allies in connection with the liberation of France during the Second World War.

"THE RCAF OVERSEAS": The third and final volume of the official account of the RCAF's operational activities overseas in the Second World War has been completed and will be making its appearance on the bookstalls shortly, it is announced by Air Force Headquarters, Ottawa. Named "The RCAF Overseas: The Sixth Year", the book forms the last part of a trilogy, and covers RCAF overseas operations from September, 1944 to the end of the war. Two companion volumes have been previously published, "The RCAF Overseas: The First Four Years" and "The RCAF Overseas: The Fifth Year".

Published by the Oxford University Press in Toronto, the history will be priced at \$4. All royalties from its sale will go to the RCAF Benevolent Fund. The book has been prepared by the RCAF historical section, in Ottawa, headed by Wing Commander F.H. Hitchins of London, Ont. W/C Hitchins who obtained his Doctorate at the University of Pennsylvania, taught at New York University from 1928 until 1941, when he joined the RCAF as an historian.

The book's contents are noted in an introduction by the Minister of National Defence, Mr. Claxton, who states: "They are deeds of which Canada can be proud, unsurpassed as they are in the annals of any country in a cause that could not have been better."

The history presents a full account of overseas operations by the RCAF during the last year of the war, including the final phase of the Canadian heavy bomber operations and the important part played by RCAF fighter squadrons on the Continent. As in the two preceding volumes, The Sixth Year is profusely illustrated with official RCAF photographs and mentions countless personnel by name. It also includes photographic reproductions of the badges of most of the RCAF units that served overseas.

A Roll of Honour and a list of orders, decorations, and medals for gallantry awarded to RCAF members supplements those included in the first two volumes and completes the record up to the end of 1946. Also included is a tabulation of RCAF casualties from Sept. 10, 1939 to Dec. 31, 1946.

ARMY ON DISPLAY: Millions of dollars worth of military equipment is being readied for display at the Canadian National Exhibition, Toronto, the Central Canada Exhibition, Ottawa, and a number of Fall fairs across Canada, military authorities at Ottawa have announced.

At Ottawa, the band of the Governor General's Foot Guards will perform daily during exhibition week. At both Ottawa and Toronto, hand-picked squads from the Navy, Army and RCAF will stage a demonstration of precision drill during grandstand performances. Unusual and costly equipment used by the three Services will be displayed at both exhibitions.

The Army plans a mobile exhibit of weapons and vehicles for participation in country

fairs in Ontario. The unit will tour a large number of smaller cities and towns with its visit timed to coincide with the dates of the local fall fair.

INVENTORY VALUES: The value of inventories held by manufacturing industries of Canada appears to have fallen slightly for the third consecutive month, the preliminary index number for May standing at 130.6 per cent of the average 1947 value as against 131.2 at the end of April, according to the Bureau of Statistics. At the May level, the index was 2.9 points below the high reached in February.

Of the main industry groupings, inventory values in the consumers' goods industries showed a decline of 1.9 points, bringing the total decrease in this group to 2.6 points from the high in February and March. In the capital goods industries, inventory values rose by half a point during May, but are 25 points below the high reached last November.

Value of stocks in the producers' goods industries rose by almost two points, and are now three points below the January high point. In the construction goods industries, stocks appear to have reached a new high of 170.1, five points above the April level.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on July 7 amounted to 65,263,000 bushels compared with 70,343,000 on June 30, and 46,017,000 on the corresponding date last year, according to the Bureau of Statistics.

Overseas export clearances of wheat during the week ending July 7 totalled 4,594,400 bushels compared with 2,374,300 in the same week last year, and in the cumulative period, 163,522,000 bushels compared with 122,173,200.

STORE SALES UP: Department store sales rose four per cent during the week ending July 9 over the corresponding week last year, according to preliminary figures released by the Bureau of Statistics. All regions of the country participated in the rise except Ontario and Alberta. British Columbia showed an advance of 19 per cent, followed by the Maritimes and Manitoba each up seven per cent, Saskatchewan four per cent and Quebec one per cent. Sales in Ontario decreased three per cent, while in Alberta, sales were unchanged.

TUBERCULOSIS CONTROL: A tuberculosis control grant of \$63,000 to finance a hospital admission chest x-ray program in smaller hospitals throughout Ontario has just been authorized under the terms of the National Health Plan, the Minister of National Health and Welfare, Mr. Martin, has announced.

(Continued from P. 1)

those delegations. I can assure you, for instance, that at these meetings Canada is not the subservient satellite of any power, however friendly. On the other hand, the Communists have long since given up the pretence that any such democratic process exists amongst the states which vote with the communist bloc...

"This minority of states also endeavours to keep the international situation confused and uncertain by using the Communist parties in the Western democracies to attack the foreign policies of their own governments when those policies run counter to the desires of Moscow. The Communist party in Canada is extremely small and we may be tempted to feel that it is not able to do very much harm in this country or to weaken our position abroad. Let us never forget, however, that it gets support from and acts on orders from, the centre of communist international authority in Moscow. That is its strength and our danger...."

"We have always hesitated in this country, sensibly, I think, to make it unlawful either to hold political ideas or to establish organizations to express these ideas. We have reserved the penalties of the criminal code for those who by some overt act have threatened the peace and security of the country. I think that this particular democratic tradition is wise in both principle and practice...."

"We can act against communism with far greater assurance of success if we work as hard to make our free democracy function successfully as the Communists do to destroy it; and if we use our own machinery of government for the purpose of removing the causes of distress and unrest within our own local and national communities. We have our economic and social problems. There are injustices and wrongs in our society. We know, however, that if we are to remain free we must solve those problems and correct those wrongs, without destroying the basis of our freedom. We don't want either the liberty of the jungle or the security of the jail. Facism is one, and communism is the other...."

"In the field of international affairs, it seems to me also that confidence in our own methods, our own institutions and in our plans for collective security are a primary source of strength. I do not think that in the long run if we stick to our convictions, and act on our belief we really have much to fear in the contemporary world. One of the greatest successes of Soviet propaganda since the war has been to spread abroad the idea that the world is divided into two parts of relatively equal strength and power.

"Far too many people have been willing to think that there are the Russians and their satellites on the one side, and all the rest of us on the other, and that these two opposing political forces are approximately equal in strength. If, however, we assess the real strength of these two parts of the world, we

cannot help coming to the conclusion that this assumption is quite fantastic. We can make one computation on a purely physical basis and come to that result.

"Better still, however, we can take into account the total strength of our two communities, in terms not only of physical resources, but of training, experience, technical skill, ingenuity, the ability of the public to understand and support -- yes, and to criticize the policies of their governments, the freedom of scholars to push out new frontiers of knowledge -- all the incalculable elements which go together to make up the physical force and moral strength of any community.

"Furthermore, there are plans now being put into operation which will increase the strength and stability of the Western World and which will, if carried out with determination and imagination, make a great contribution towards peace and progress. They are embodied in the United Nations, in the Marshall Plan, in the Brussels Treaty, in the Atlantic Pact, and in various other instruments of international co-operation. They are already producing results, and will continue to do so, though there are dangers ahead. One, and a very important one, is the danger of allowing short-range political considerations to obscure the desirability of making at times what may seem to be immediate concessions in return for ultimate advantages.

"Another danger is that we should allow either communist threats or communist olive branches to divert us from the line which the democracies are now following with such success.... But we have taken the measure of communism, both at home and abroad, we have discerned its purposes and revealed its methods, we have undertaken to meet its challenge. We will be successful in that undertaking if, but only if, we of the free democracies, in our domestic and in our international policies, act with unity of purpose, with imagination and with courage."

MARQUIS DUQUESNE PORTRAIT: The only known portrait of the Marquis Duquesne de Menneville, Governor of New France from 1752 to 1755, has been presented to Canada. Who painted it or why or when, nobody knows, says the report of the *Globe and Mail* of Toronto.

The rich-toned portrait of the French aristocrat was unveiled on July 20 by Vincent E. Sutliff, President of the *Encyclopedia Americana*, who brought the \$3,000 painting to Toronto. He presented it on July 21 to Dr. W.K. Lamb, head of the National Archives, Ottawa, as a gift to the Canadian people. The presentation coincided with the opening of the new Canadian offices of the *Ameri-Can* Corp., which is issuing its first Canadian edition of a 30 volume reference work.