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MR. G. McINNES,
INFORMATION DIVISION.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

PRIME MINISTER'S NEW YEAR'S MESSAGE: The following is the text of the New Year's message delivered by the Prime Minister, Mr. St. Laurent, on December 31:

"I welcome this opportunity to extend my best wishes to the people of Canada at the close of the year 1949.

I address these good wishes also to all those who, throughout the world, are striving to realize the promise of peace announced to men of good will on the first Christmas morning.

A year ago I said that the international situation was very grave; that war was not inevitable but we would be lacking in the most elementary realism if we considered war an impossibility. The year which is just ending has brought with it new reasons for uneasiness. Human freedom has lost still more ground in countries which ignore the advantages of genuine democracy. In many, honest people continue to be persecuted for their religious beliefs or their political affiliations. On the other hand, it is reassuring to know that the free nations of the western world have a clearer understanding than ever of their joint responsibility to safeguard the peace of the world.

1949 has been the year of the signature of the North Atlantic Pact. 1949 has been a year

in which we have witnessed great benefits from the Marshall Plan. The free democracies have had to face serious economic difficulties in 1949, but in spite of everything never before have they shown so much determination to understand one another and to help one another.

From the international point of view, when the accounts for 1949 are balanced they have not been too unfavourable to the cause of peace. But in working for peace in the world we should never forget the solemn warning of the Psalmist: "Except the Lord build the house, they labour in vain that build it." It is this truth of which the pilgrimages of the Holy Year will be a constant reminder of the Christians of my faith during the whole of 1950. May this truth influence the conduct of all the peoples who are still free.

From a national standpoint, 1949 has been a good year. We have had a general election, and general elections are the very foundation of our democratic system; we have added a new Province to our territory through the union with Newfoundland; we have taken certain steps of which our children will be proud toward full nationhood for Canada; we have gained a new appreciation of the wealth of our country; we have enjoyed a higher standard of living than anywhere else in the world outside the North American continent.

1949 FARM CASH INCOME \$1,794,200,000

2.6 PER CENT OVER 1948: Canadian farmers received \$1,794,200,000 from the sale of farm products during the first nine months of this year, according to preliminary estimates by the Bureau of Statistics. This was 2.6 per cent over the 1948 figure of \$1,749,200,000 for the same period and an increase of 40.9 per cent over the \$1,273,600,000 realized in the first nine months of 1947.

Cash income in the third quarter of this year was \$730,155,000, down \$97,600,000 from the same period of 1948. In the first quarter the total was up to \$412,634,000 from \$380,006,000 a year earlier, and in the second quarter to \$651,434,000 from \$541,345,000.

In addition to the receipts in the first nine months of this year, supplementary payments amounting to \$9,000,000 were paid out under the provisions of the Prairie Farm Assistance Act, to farmers in the drought-stricken areas of the Prairie Provinces. This figure compares with more than \$10,000,000 and nearly \$16,000,000 paid out during the respective periods of 1947 and 1948.

The maintenance of farm cash income at a level above that of a year ago is largely attributable to increased Canadian Wheat Board payments and the fairly substantial gains in the returns realized from the sales of wheat, coarse grains, tobacco, cattle and calves. The Canadian Wheat Board disbursement of approx-

imately \$218,000,000 was, for the most part, in the form of equalization payments made on wheat delivered by Western farmers during the period August 1, 1945 to March 31, 1949. Increased income from wheat sales resulted from higher prices together with increased marketings. In the case of oats and barley, the increase came as a result of increased marketings more than offsetting a decline in prices.

Cash income from the sales of grains, seeds and hay in the first nine months of this year totalled \$668,086,000 as compared with \$586,413,000 in the corresponding period last year. Income from the sales of livestock, at \$532,700,000 was slightly above last year's total of \$525,189,000, the greatest gain occurring in cattle and calves. A decline in the marketings of hogs during the same period more than offset an increase in prices to lower income from this source 6.3 per cent.

Income from the sales of dairy products during the nine-month period was approximately \$277,000,000 as compared with \$308,000,000 in the same period of 1948. A drop of 8.2 per cent in cash returns from the sale of eggs to the end of September is largely due to a decline in marketings. Income from the sale of vegetables and other field crops was down slightly at \$110,523,000 compared with \$111,573,000.

CONSTRUCTION INDUSTRY RECORD: The estimated value of work performed by the Canadian construction industry reached an all-time record total of \$1,665,561,000 in 1948, fully one-third higher than the previous record of \$1,256,536,000 established in 1947, and about double the 1946 value. There were gains in the value of work in all provinces, increases ranging from a low of 25 per cent in Quebec to a high of 43 per cent in the Prairie Provinces.

In addition to work by the construction industry, railway and telegraph companies carried out work with their own staffs to the value of \$414,934,000 in 1948. With this addition the total value of construction work during the year exceeded \$2,000,000,000.

The value of new construction by the industry in 1948 was \$1,384,000,000, up 38 per cent over the 1947 total of \$1,002,000,000, while additions, alterations and repairs were valued at \$282,000,000, showing a smaller increase of 11 per cent over the 1947 figure of \$255,000,000.

Building construction, accounting for 65 per cent of the total, was valued at \$1,088,000,000, up 30 per cent over the 1947 figure of \$839,000,000, while engineering work was valued at \$577,573,000 compared with \$417,665,000, up 38 per cent. The cost of materials

amounted to \$835,917,000 as compared with \$654,996,000, and salaries and wages totalled \$605,496,000 compared with \$482,907,000. The cost of materials in 1948 was equal to approximately 50 per cent of the total value of work performed and salaries and wages to somewhat over 36 per cent.

The value of residential construction work in 1948 reached the high total of \$255,756,000 as compared with \$233,304,000 in the preceding year. Institutional building had a value of \$121,421,000 compared with \$73,362,000; commercial building, \$166,073,000 compared with \$151,130,000; industrial building, \$242,832,000 compared with \$193,053,000; and other building, \$39,540,000 compared with \$7,534,000. The value of work by building trades was up to \$262,366,000 from \$180,488,000.

RCAF APPOINTMENT: Air Commodore F.G. Wait, CBE, commander of the RCAF's Maritime Group Headquarters at Halifax for the last two years, has arrived in Ottawa to take over his new duties as Deputy Air Member for Personnel, it has been announced by Air Force Headquarters. He replaces Air Commodore D.E. MacKell, who proceeds on retirement early in January.

FORECASTS HIGH INCOME LEVEL FOR 1950

MR. HOWE'S YEAR-END REVIEW: The Minister of Trade and Commerce, Mr. Howe, concluded his 1949 Year-end Review, issued on December 30, as follows:

".... The Canadian economy in 1949 enjoyed another year of prosperity. There was in Canada nothing to compare with the recession in the United States, the exchange crisis in the sterling area, or the continuing economic difficulties and hardships of Western Europe. We have, however, passed out of the postwar inflationary period of steadily rising levels of production and income into a levelling-off period. But it has been at a level slightly above that of 1948 and therefore at a very high and favourable level indeed. There are, however, a number of soft spots in the economy, due to increasing international trade difficulties as well as the re-emergence of various chronic regional and industrial disabilities.

"In real terms, the 1949 gross national product of about \$16 billion will be 2 or 3 per cent higher than in 1948. Part of this increase has been due to the sustained strength of domestic as opposed to foreign demand. Prosperity at home has meant that the domestic market has been able to fill some of the gaps caused by restrictions in foreign markets. In motor vehicles, in cotton textiles, in electrical equipment, the increase in domestic sales has made up or even surpassed the decline in exports. In many branches of manufacturing such as farm implements and office equipment exports as well as domestic sales have risen in recent years.

"The improvement in consumption levels last year, compared with 1948, was one of the significant developments of the Canadian economy. More goods were available on the market, and such factors as lower tax rates, contributing to larger personal incomes, meant an increase in the amounts spent on staples as well as on durable goods. On the production side, industrial output was higher, particularly in petroleum, gold mining, base metals and durable manufactured goods. There was some decline in agricultural output due to poorer crops and lowered production in some of the secondary agricultural industries. The British food contracts helped to sustain the market for several key commodities, although U.S. surpluses reduced the amount of E.C.A. dollars available for goods purchased by Western European countries. With farm prices sustained during the year, farm income was near record levels, due to participation payments on western wheat and the government's price support policy for a number of commodities. Once again, investment in Canada was at a high level adding to our industrial plant and equipment, to our private and public utilities, as well as to the development of our natural resources....

"Today, Canada with a population of some 13 million people is one of the leading trading nations of the world. On a per capita basis our trade is double that of the United Kingdom and about four times that of the United States. Industrially, Canada has come of age. We are today among the first half dozen countries in commercial agricultural production, in fisheries, in metal mining, in forest industries and in manufacturing. Our present level of domestic investment, including housing, is not only the highest in our history, but highest in terms of gross national product of any country of which we have any record. Our increased productivity - that is, output per man-hour - compares favourably with that of any country in the world, including the United States. In short, when we review the situation in other countries, we have much for which to be thankful.

"The outlook for 1950 suggests an intensification of the present pattern, i.e. a continued high level of national employment and income but with some decrease in the special areas and localities that will be under economic pressure. The most important factor will of course be the international situation: the level of economic activity in the United States; the effect of devaluation on world trade; the measures adopted in overcoming the world wide dollar shortage. Our policy will be to co-operate to the fullest extent with the British export drive; to divert imports from U.S. dollar markets to sterling and other non-dollar sources wherever economically feasible; and at the same time take full advantage of the reciprocal Trade Agreements Act and other means to expand Canadian exports to the United States....

"In 1950, the full effect of devaluation should be felt. Its effect on Canada is illustrative of the divergent pulls and cross currents in our economy and of the role we play in our trading relationships with the United Kingdom and the United States. The 30 per cent drop in the pound sterling will have a deflationary effect on some sectors of the economy - on those exporting to sterling areas; and on those competing, at home and abroad, with sterling industries. The 10 per cent devaluation in our own currency will have some inflationary effect, particularly in industries dependent upon the United States for materials. At the same time it will give Canadian producers some advantage over American producers in Canada, in the States, and overseas; it will also cushion the full impact of pound devaluation.

"In several regions of Canada economic activity will be stimulated by the developments that are taking place in the opening up of new resources. Investment in these new developments, including related utilities and secondary industries promises to be well main-

tained in 1950. Preliminary figures on next year's investment program show an anticipated outlay close to the 1949 level in value terms, i. e. something more than \$3 billion. The figures bear out the levelling-off trend that was evident at the beginning of 1949, but a levelling-off at a very high level. The general trends among the different sectors of the economy that were in evidence in 1949 will for the most part continue next year. As in 1948 and in 1949, increases can be expected in the institutional group (especially hospital construction) and in utilities taken as a whole due largely to the building of the oil pipeline. Direct government expenditures, and to a lesser extent, services, also show some rise. Unlike last year, however, capital investment in the agricultural field is expected to decrease. The decline in investment in manufacturing and commercial groups evident last year is likely to continue. In housing, completions this year have reached their highest peak and a substantial carryover in the order of some 50,000 units is expected. As a result, and in view of the continuing demand for new homes, residential construction work in 1950 should come close to the 1949 peak.

"Following the abnormal conditions of the last ten years it is inevitable that special area and special industry problems will continue to arise. Adjustments will have to be made - some drastic, some painful. We may also have to face further adjustments in our foreign trade. The Government can only go so far in meeting the problems created by these adjustments through public works and social security measures. It can help in meeting emergency situations, but in the last analysis our present prosperity can only be maintained if our foreign trade - and international trade generally - is flourishing. It is in the interest of every individual and business in Canada, whether immediately affected or not, to see world trade re-established on a healthy and expanding basis."

WORLD WHEAT SITUATION: After two fairly satisfactory crops in most importing countries, import demand for wheat in the crop year 1949-50 will be rather less than in recent years, states the Bureau of Statistics in its monthly review of the wheat situation. According to estimates of the United States Department of Agriculture, exports from the four principal exporting countries--United States, Canada, Australia and Argentina--may total about 850,000,000 bushels compared with 908,000,000 shipped in 1948-49 and 893,000,000 in 1947-48. Other exporting countries, including the Soviet Union, may possibly export 50,000,000 to 75,000,000 bushels compared with 50,000,000 in each of the past two years.

Recent reports from Australia are optimistic concerning the crop currently being harvested in that country. The latest estimate places

the outturn at 203,000,000 bushels, more than 13,000,000 greater than last year and well above the prewar (1935-39) average of 170,000,000. A good harvest is also forecast in the Argentine, with recent estimates placing the crop as high as 210,000,000 bushels, about 19,000,000 greater than last year but still about 24,000,000 bushels below prewar average. Late reports, however, tell of adverse weather conditions in some areas and unless yields turn out fully as well as expected in the rest of the country the final outturn may be somewhat less than that indicated above. In any event, it would appear that both Australia and the Argentine will be in a position to export considerable quantities of wheat in 1950.

The United States Department of Agriculture forecasts, on the basis of December 1 conditions, a winter wheat crop in that country of 885,000,000 bushels or about two per cent less than the 902,000,000 bushels produced in 1949 but still nearly 22 per cent above the average of 727,000,000 bushels for the 10 years 1938-47. Acreage seeded to winter wheat is estimated at 53,000,000 acres, down some 15 per cent from the 62,400,000 seeded in the fall of 1948 but 11 per cent more than the 10-year average of 47,700,000. No estimates are currently available as to the probable spring wheat acreage in the United States, but assuming that average yields are obtained and that no great reduction in acreage takes place a spring wheat crop of around 300,000,000 bushels could easily be obtained. It is accordingly anticipated that the United States will have a substantial exportable surplus from the 1950 crop.

PETROLEUM PRODUCTS: Canadian production of refined petroleum products increased 11 per cent in August over the corresponding month last year, while in the first eight months of this year the gain was 12 per cent. Receipts of crude in the month were five per cent above August last year, and were 11 per cent higher in the cumulative period.

The month's output amounted to 8,463,500 barrels as compared with 7,637,800 in August last year. During the first eight months of this year, 57,539,800 barrels were produced as against 51,548,800 in the similar period last year. Receipts of crude in the month totalled 8,900,400 barrels compared with 8,477,300 a year ago, and in the eight months amounted to 63,088,700 barrels against 56,921,900.

Of the crude petroleum received during the month, 1,960,200 barrels came from Canadian sources as compared with 1,225,500 a year earlier, the eight-month total rising sharply to 13,075,300 barrels from 7,330,400. Receipts of imported crude in the month fell off slightly to 6,940,100 barrels from 7,251,800, but was up in the eight months to 50,013,500 barrels from 49,591,500.

COMMONWEALTH CONFERENCE ON FOREIGN AFFAIRS

DELEGATES AND ADVISERS: Following are the principal delegates and advisers in each delegation at the Commonwealth Conference on Foreign Affairs which will open in Colombo on Monday, January 9:

United Kingdom

Delegates: The Right Honourable Ernest Bevin, Secretary of State for Foreign Affairs. The Rt. Hon. Philip Noel-Baker, Secretary of State for Commonwealth Relations.

Special Advisers: The Rt. Hon. Malcolm MacDonald, Commissioner General for the United Kingdom in South East Asia. Sir Walter Hankinson, United Kingdom High Commissioner in Ceylon.

Official Advisers:

(a) **Foreign Affairs:** Sir Percivale Liesching, Permanent Under-Secretary of State for Commonwealth Relations. Mr. M.E. Dening, Assistant Under-Secretary of State, Foreign Office. Mr. J.J.S. Gamer, Assistant Under-Secretary of State for Commonwealth Relations. Mr. G.W. Ridsdale, News Department, Foreign Office. Mr. F.S. Tomlinson, Foreign Office.

(b) **Economic:** Sir Henry Wilson Smith, Second Secretary to the Treasury. Sir Roger Makins, Deputy Under-Secretary Foreign Office. Mr. M.T. Flett, Under-Secretary to the Treasury. Mr. N.E. Costar, Commonwealth Relations Office. Mr. S. Goldman, Treasury, Mr. G. Bowen, Board of Trade.

Canada

Delegates: The Hon. L.B. Pearson, Secretary of State for External Affairs. The Hon. R.W. Mayhew, Minister of Fisheries.

Advisers: Mr. Escott Reid, Deputy Under-Secretary of State for External Affairs, Mr. D.M. Johnson, Canadian High Commissioner Designate to Pakistan. Mr. A.R. Menzies, Far Eastern Division, Department of External Affairs. Mr. D.V. LePan, Economic Division, Department of External Affairs. Mr. T.N. Beaupré, Department of Trade and Commerce.

Australia

Delegate: The Hon. P.C. Spender, Minister for External Affairs.

Advisers: Mr. H. R. Collan, Australian High Commissioner in India. Mr. John Oldham, Australian High Commissioner in Pakistan. Mr. C.W. Frost, Australian High Commissioner in Ceylon. Mr. L.R. McIntyre, Counsellor, External Affairs Department. Mr. A. Tange, Counsellor, External Affairs Department. Mr. F.H. Wheeler, First Assistant, Secretary Treasury. Mr. J.F. Nimmo, Treasury Department. Brigadier H. Rouke,

Military Assistant Secretary, Defence Department.

New Zealand

Delegate: The Hon. F.W. Doidge, Minister for External Affairs.

Advisers: Mr. A.D. McIntosh, Secretary for External Affairs. Mr. E.L. Greensmith, Assistant Secretary Treasury.

South Africa

Delegate: The Hon. Paul Sauer, Minister for Transport.

Advisers: Mr. D.D. Forsyth, Secretary for External Affairs. Dr. D.H. Stein, Treasury. Mr. D.B. Sole, External Affairs.

India

Delegates: Pandit Jawaharlal Nehru, Prime Minister and Minister for External Affairs. Mr. V.V. Giri, Indian High Commissioner in Ceylon.

Advisers: Mr. S. Dutt, additional Secretary, Ministry of External Affairs. Mr. K.C. Ambe-gaokar, Secretary, Ministry of Finance. Mr. Keith C. Roy, Deputy Secretary, Ministry of Finance. Mr. Bahadur Singh, Deputy Secretary, Ministry of External Affairs.

Pakistan

Delegates: The Hon. Sir Mohamed Zafrullah Khan, Minister for Foreign Affairs. Mr. M.I. Kramullah, Secretary for External Affairs. Mr. Mumta Hassan, Finance Ministry. Dr. Nair Ahmad, Economic Affairs Ministry. Mr. S.A. Hasnie, Commerce Ministry.

Advisers: Mr. A. Hilalyaj. Mr. M. Moffar.

Ceylon

(a) **Foreign Affairs:** The Hon. D.S. Senanayake, Prime Minister and Minister of External Affairs. Senator the Hon. Dr. L.A. Nrajapakse, Minister of Justice. The Hon. J.R. Jayawardene, Minister of Finance. Mr. R.G. Senanayake, Parliamentary Secretary to the Minister of External Affairs.

(b) **Economic:** Mr. C.E. Jones, Ministry of Finance. Mr. T.D. Perera, Treasury. Mr. K. Somasuntharam, Ministry of Commerce and Trade. Mr. N.U. Jayawardene, Treasury. Mr. K. Williams, Treasury Statistician.

Southern Rhodesia (Economic talks only)

Delegates: Mr. D.H. Cummings, Under-Secretary Treasury. Mr. R. Rushmere.

CHANGES IN EXPORT CONTROL REGULATIONS

25 ITEMS ARE REMOVED. Important changes in the export control regulations were announced on January 4, by the Minister of Trade and Commerce, Mr. Howe. Twenty-five items have been removed from export control, leaving under control only a little over 100 items including strategic materials, primary steel, and building requisites still in short supply. To provide adequate export control of strategic materials without adding to the list of items subject to such supervision, the number of countries under area control has been increased. All goods originally imported into Canada, and re-exported without further processing in this country will require an export permit.

The items removed from export control are as follows: Rice, rice flour and rice meal, horses and horsemeat, poultry, eggs, jute and jute products, lumber, filing and poles, doors, sash and millwork, flooring, prefabricated houses, pickets, plywood, railway ties, shims, metal drums, metal fence posts, storage tanks, furnaces and stoves, non-ferrous conduit and cable, tin and tin products, except tinplate, asbestos products, asphalt products, and paraffin wax.

On July 15, 1948, area control was established covering 46 countries in Europe and the Mediterranean Area. By the present amendment this principle of export control is extended to the following 18 Far Eastern and Mediterranean countries: Borneo; Burma; China; Hong Kong; Indo-China; Indonesia; Israel; Japan;

Korea; Luchu Islands; Macao; Malaya; New Guinea; Philippine Islands; Singapore; Syria; Thailand (Siam); and Timor. Export permits will now be required for all shipments to these destinations with the exception of the items specifically exempted by the Export Permit Regulations and by a Special Permit No. 1597, which exempts certain non-essential goods.

In order to prevent Canada being used as a "back door" to evade the export regulations of other nations, the following group has been added to the Schedule of Goods under Export Control:

Group 9. Goods Originating outside of Canada

All goods originating outside Canada when tendered for export in the same condition as when imported, without further processing or manufacturing in Canada, with the exception of:

- (a) Goods in transit in bond on a through bill of lading originating outside Canada, clearly indicating the ultimate destination of the goods to be a third country.
- (b) Goods consigned to the United States of America as the country of ultimate destination and not specifically listed in this Schedule.

The general permit No. SPL 1597 exempting non-essential goods, also applies to this group.

(Continued from P. 1)

In this Christmas Season, Canada, a Christian country, hopes that under an ever watchful and benign Providence the good will which has brought appreciable benefits in 1949 will bring still greater hope in 1950 of peace, prosperity and freedom. The hope of peace which I express for my fellow-citizens I address as well to all those who would certainly be our friends if it were possible for them to know us better.

To all men and women a happy New Year in 1950!

And may the second half of the twentieth century bring closer co-operation among the nations, all of whom may count on the goodwill of Canada."

BACON AGREEMENT WITH U.K.: The Minister of Agriculture, Mr. Gardiner, announced on January 3 that a bacon agreement had been negotiated with the United Kingdom which provides for an expenditure of \$17,500,000 for the purchase of Canadian bacon at a price of \$29.00 per hundred pounds, A grade Wiltshires, f.o.b. Canadian

Seaboard. As announced on December 23 the Meat Board has been authorized to pay a price of \$32.50 per hundred pounds of bacon. The difference of \$3.50 per hundred pounds between the buying price of \$32.50 and the price of \$29.00 at which the bacon is sold to the United Kingdom will be met from funds provided by the Government of Canada. The total quantity of bacon which may be purchased under the terms of this agreement will approximate 60 million pounds. The Canadian Government is meeting the request of the Ministry of Food regarding deliveries by arranging for the storage of some portion of the bacon purchased during the early part of the year to be shipped during the latter part of the year.

Some time following June 30, 1950 existing export controls on hogs and pork products may be removed. Meantime consideration will be given to applications for export permits for bacon to be shipped to markets other than Great Britain. The subsidy of \$3.50 per hundred pounds will be discontinued on and after July 1, 1950.



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WEEK'S EVENTS IN REVIEW

CONSTITUTIONAL CONFERENCE: The Federal-Provincial Conference on constitutional amendments opened in Ottawa on the morning of January 10, when the Prime Minister, Mr. St. Laurent, speaking in both French and English, welcomed the Premiers of the 10 Provinces and included a special word of greeting to Premier Smallwood of the new Province of Newfoundland.

In his welcoming address, Mr. St. Laurent was quoted as saying: "We cannot afford to permit differences to frustrate the continued development in a desirable direction of the nation as a whole."

Preliminary statements were made by the Provincial Premiers, and, in the course of the opening day's discussions, the Prime Minister indicated that the whole question of constitutional amendment was thrown open to the Conference, and in particular that it would be possible to revise the recent amendment to the British North America Act which gave the federal Parliament power to amend the Act in relation to federal matters.

At the conclusion of the second day's sitting, January 11, the progress of the Conference was summed up by J.A. Hume, in the Ottawa Citizen, as follows:

Considerable solid progress was made at the second day of the Federal-Provincial Constitutional Conference.

The tone of the general clarifying discussion and the whole atmosphere of the Conference continued to be of the friendliest nature. Where divergent views were voiced, always it was done with politeness and deference. Constructive co-operation was maintained throughout as the dominant note of the day's proceedings.

Prime Minister St. Laurent, just before adjournment overnight was taken at 5:30 p.m., summed up the general agreement that had been expressed thus far as to six subjects to be "entrenched" in the constitution to the extent that no future changes therein could be affected without unanimous consent of the ten Provinces.

These subjects Mr. St. Laurent listed as follows: language, education and separate schools, solemnization of marriage, administration of justice, proper representation in both the House of Commons and the Senate, and the life of Parliament to be for five years with a proviso, for extension only in an emergency of real or apprehended war.

The Conference named Justice Minister Stuart Garson and the ten provincial Attorneys-General as a committee to put in draft form the generally expressed agreement of the Conference as to dividing the constitution into four or five main parts for purposes of amendment in future.

RESERVES OF U.S. DOLLARS \$1,117,000,000

BEST SINCE 1947: The Minister of Finance, Mr. Abbott, announced on January 6 that Canada's reserves of gold and U.S. dollars were 1,117 million on December 31, 1949.

The comparable figure for September 30, 1949 was \$985 million; for October 31, 1949, \$1,007 million; and for November 30, 1949, \$1,068 million. At the end of 1948 the figure was \$998 million. All these figures are in terms of U.S. dollars.

Mr. Abbott explained that figures of Canada's gold and dollar reserves do not include U.S. dollars borrowed by the Government of Canada in the United States in August, 1949 and used (on October 1, 1949 and November 1, 1949) or set aside to be used (on February 1, 1950) for the retirement of security issues guaranteed by the Government of Canada and payable at the holder's option in U.S. dollars.

Mr. Abbott attached to his statement a table showing the amount of Canada's reserves of

gold and U.S. dollars at the end of each month during the past year. This table which follows shows the fluctuations upwards and downwards in Canada's reserves from month to month.

<u>Date</u>	<u>Total official holdings of gold and U.S. dollars</u>
Dec. 31, 1948	\$ 998. million
Jan. 31, 1949	1022. million
Feb. 28, 1949	1044. million
Mar. 31, 1949	1067. million
Apr. 30, 1949	991. million
May 31, 1949	977. million
June 30, 1949	977. million
July 31, 1949	973. million
Aug. 31, 1949	987. million
Sept. 30, 1949	985. million
Oct. 31, 1949	1007. million
Nov. 30, 1949	1068. million
Dec. 31, 1949	1117. million

EMPLOYMENT AT RECORD: The Minister of Labour, Mr. Mitchell, released on January 6, the following statistics in respect to Employment and Unemployment in Canada.

The total labour force in December was estimated at 5,200,000 persons. This figure, of course, is less than was the case when students were available earlier in the year and normally a large number of women do not wish to work in the winter. This figure of 5,200,000 is the highest figure for December in the history of Canada despite the fact that it is approximately 150,000 lower than was the case in September 1949.

Of the 5,200,000 there were 261,100 unplaced applicants registered in the National Employment Offices across Canada.

Of this number 71.1% were either in receipt of unemployment insurance benefits or were persons whose claims were being processed.

The Minister pointed out that persons actually working represented by the total labour force less the unplaced applicants - just under five million - was the highest number of employed persons for December in the history of Canada.

MOTOR VEHICLE SHIPMENTS: Falling sharply from the high levels of the two preceding months, factory shipments of Canadian-made motor vehicles in November reached the lowest monthly total since February last. The month's total was down 43 per cent from October and was also 36 per cent below November, 1948. Despite the pronounced decrease from a year earlier the cumulative total for the first 11 months of 1949 was 12 per cent higher than in the same period of 1948.

In November, 19,721 units were shipped as

compared with 28,125 in the preceding month and 26,794 a year ago. The cumulative total for the 11 months ending November increased to 264,713 units from 236,873 in the like period of 1948. Shipments in February last year aggregated 17,197 units.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on December 22 amounted to 165,310,900 bushels compared with 165,932,200 on December 15 and 172,294,000 on the corresponding date last year.

Overseas export clearances of wheat during the week ending December 22 totalled 2,964,700 bushels compared with 3,704,700 in the same week last year, and in the cumulative period, 78,484,100 bushels compared with 54,944,500.

LIVING COSTS DECLINE: The Bureau of Statistics cost-of-living index declined from 161.7 at November first to 161.5 at December first. This marked the fourth consecutive fractional decline from the August peak of 162.8, and placed the index 2.6 points above December 1, 1948. From August 1939 to December 1949 the increase in the cost-of-living index was 60.2 per cent.

The decline between November 1 and December 1 was almost entirely due to the food index which dropped from 203.3 to 201.9. Sharply lower prices for eggs and slight decreases in meats overbalanced considerably higher quotations for coffee. Home furnishings and services registered the only other decrease, moving from 167.4 to 167.1, while the clothing index remained unchanged at 183.7

NOTES TO HUNGARY, ROUMANIA: The Department of External Affairs announced on January 6 that on January 5 the Canadian Government presented notes to the Governments of Hungary and Roumania in connection with the disputes which have arisen over the implementation of the human rights clauses of the Peace Treaties signed by Canada with those countries. The notes named Rt. Honourable J.L. Ilsley, P.C., as the Canadian representative on the commissions which are proposed in accordance with the provisions of the treaties.

As Canada has no diplomatic representative in Hungary or Roumania, the Canadian notes were delivered by the British Ministers in Budapest and Bucharest. Similar notes were presented by the United Kingdom and the United States to the Governments of Hungary and Roumania, and of Bulgaria as well.

The text of the Canadian note to Hungary reads as follows:

"His Majesty's Legation present their compliments to the Ministry of Foreign Affairs and with reference to their note of August 1, regarding the reference to a commission as laid down in Article 40 of the Peace Treaty with Hungary of their dispute with the Government over the interpretation of Article 2 of the Treaty, have the honour, on behalf of the Canadian Government, to inform the Government of Hungary that the Canadian Government has appointed Right Honourable Justice J.L. Ilsley, P.C., as its representative on the proposed commission. It is accordingly requested that the Hungarian Government appoint its representative forthwith and, at the same time, enter into consultation with the Canadian Government through the Canadian Ambassador in Washington with a view to the appointment of the third member of the commission as stipulated in the Peace Treaty."

The note to the Roumanian Government was similar to the note to Hungary. It referred to the dispute which exists over the interpretation of Article 3 of the Roumanian Peace Treaty, and called for the establishment of a commission as provided in Article 38.

MYSTERY OF THE GOLDEYE: A clue to the mystery of the spawning habits of one of Canada's tastiest fish, the goldeye, has been discovered in Lake Claire, Wood Buffalo Park, Alberta, it was revealed at the annual meeting in Ottawa of the Fisheries Research Board of Canada by Dr. K.H. Loan, Acting Director of the Central Fisheries Research Station, Winnipeg.

For five years fishery scientists have been trying to discover the goldeye's spawning habits, but it was only this year that goldeye eggs were found drifting free in Lake Claire, one of the first instances of surface floating eggs in freshwater fish.

Proposals for an extension of fisheries research work in Canada's Eastern Arctic waters were put before the meeting of the Board by Dr. Max J. Dunbar, Professor of Zoology at McGill University.

R.D. MACDONALD TO WASHINGTON: R.D. Macdonald has joined the Washington office of the Canadian Commercial Corporation, it was announced on January 6 by the Corporation. Mr. Macdonald will go to Washington in January.

Well known to the construction industry before the war, Mr. Macdonald supervised the field operations of a large number of wartime construction contracts for the Department of Munitions and Supply; and, through his association with aviation activities, became Director of the Aircraft Division of its Washington office.

Returning to Canada after the war, Mr. Macdonald organized the aircraft, radio and research divisions of the War Assets Corporation, and returned to the United States in 1945 to become Assistant to the President of Philco International Corporation, and Director of the Babb Company (Canada) Limited. For the past several months he has been engaged with the Department of Trade and Commerce in connection with industrial defence planning.

TO BOARD OF GRAIN COMMISSIONERS: Appointment of Roy W. Milner, of Calgary, to the Board of Grain Commissioners was announced on January 6 by the Minister of Trade and Commerce, Mr. Howe, Mr. Milner leaves his position as General Manager and Director of the Alberta Pacific Grain Co. Ltd., to take up his new duties. He was also a Director of the Grain Insurance and Guarantee Company and Director of the Sovereign Life Assurance Company. Mr. Milner succeeds D.A. MacGibbon, recently retired.

FISHERIES RESEARCH CHAIRMAN: Dr. G.B. Reed, O.B.E., of Queen's University, Kingston, was re-elected for his third year as Chairman of the Fisheries Research Board of Canada at the closing sessions of the annual meeting in Ottawa on January 7.

Prof. J.R. Dymond, O.B.E., head of the Department of Zoology, University of Toronto, was also re-elected to the office of Vice-Chairman. In addition to Dr. Reed and Prof. Dymond other members of the Executive Committee are Dr. W.A. Clemens, University of British Columbia, Vancouver, B.C.; O.F. MacKenzie, Halifax, N.S.; R.E. Walker, General Manager of British Columbia Packers, Vancouver, and Dr. D.L. Thomson, Professor of Biochemistry, McGill University, who replaces Dr. Jean-Louis Tremblay, of Laval University, Quebec City, whose term of office has expired.

ALASKA HIGHWAY DEFENCE EXERCISES

CANADA - U.S. JOINT OPERATION: To meet theoretical aggressor attacks next month down the Alaska Highway from Anchorage and Fairbanks areas, combined Canadian and United States forces will carry out a defence exercise to meet the "enemy" along the highway north of Whitehorse, Y.T. Participating in the defence force will be a battalion group of the Canadian Active Force Brigade group and a battalion combat team of the U.S. Fifth Army, supported by aircraft of the Royal Canadian Air Force and the United States Air Force.

Known as "Exercise Sweet Briar", the combined northern operation will be held for 10 days commencing February 13, and will involve about 3700 Canadian and American troops. The air phase of the large peacetime exercise is expected to use more than 1400 Canadian and American Air Force personnel.

During the past months extensive planning and preparation have been carried out by staffs of both nations. Canadian planning has been carried out by Headquarters, Western Army Command, under the direction of Major-General M.H.S. Penhale, General Officer Commanding, and Headquarters, North West Air Command, under Air Vice Marshal C.R. Dunlap, Air Officer Commanding.

INFORMATION AND EXPERIENCE

Exercise Sweet Briar has been designed to obtain information and experience in the conduct of tactical operations under severe winter conditions and to provide arctic training for battalion groups, support services of the Army, and combined U.S. and R.C.A.F. units and formations. In addition the February exercise will test the value of present arctic clothing and equipment including parachute and airborne stocks.

Army and Air Force will combine to develop techniques in the following roles: providing air transport, close air support, air and ground supply, air and ground evacuation.

Prior to the actual exercise all ranks will be "warm based" at Whitehorse and during the tactical move commencing February 13, the ground forces will cover about 350 winter miles to Northway, Alaska. During the actual exercise bombers, fighters, and photo reconnaissance aircraft of the allied force will move in support of Canadian and American troops from the R.C.A.F. station at Whitehorse to Burwash Landing and then on to Northway.

Luring past months hundreds of vehicles of all types have been winterized by Canadian

Army specialists and these will be used to move the troops north from Whitehorse until contact with the "enemy force" is established. The "fight" with actual airmen and soldiers of the aggressor force from Alaska Command will entail manoeuvring in temperatures which are expected to range as low as 50 below and a high degree of survival training will be necessary for the rigorous actions.

While airborne officers and men of the Princess Patricia's Canadian Light Infantry practise ground roles, "C" Company under the command of Major D.L. Clarke of Calgary will carry out their first mass winter jump.

Twenty-nine R.C.A.F. fighters, including vampires, will operate from an emergency airstrip at Burwash Landing during the fighter support of the exercise. Mitchell aircraft will take the part of allied bombers and Dakotas and North Stars from the R.C.A.F. Air Transport Command will provide air transport for personnel. Lancasters from aerial survey squadrons will perform high level photo reconnaissance. A total of 53 R.C.A.F. aircraft and 47 U.S.A.F. planes will take part. In addition, three Canadian Army Auster aircraft from the Canadian Joint Air Training Centre, Rivers, Man., will provide aerial artillery observation.

COMMENCING JANUARY 23

Commencing January 23 vehicles and ground personnel will start moving north by road convoy and aircraft from Wainwright and Edmonton. American vehicle convoys will move through Edmonton on their way north within the next few days.

Realism during the fighting will be created by the wide use of umpires on both sides. These trained specialists will adjudge the course of each battle or encounter, both on the ground and in the air, and forward their reports to a Combined Compilation Centre.

In over-all command of the exercise will be Lt.-Gen. Stephen J. Chamberlin, Commanding General of the United States Fifth Army, Chicago. Working closely with him will be Maj.-Gen. M.H.S. Penhale, CBE, General Officer Commanding the Canadian Army's Western Command, and Air Vice-Marshal C.R. Dunlap, CBE, Air Officer Commanding the R.C.A.F.'s North West Air Command, both with headquarters in Edmonton; and Maj.-Gen. Robert M. Lee, Commanding General of the U.S. Air Force Tactical Air Command, Hampton, Va.

REGULATIONS ON AUREOMYCIN: Standards of purity and potency for the new antibiotic aureomycin, have been set up under the federal Food and Drugs Act the Minister of National

Health and Welfare, Mr. Martin, announced on January 9. It has also been added to the list of items which may be sold to the public only on prescription.

HYDRO-ELECTRIC PROGRESS, 1949: During 1949 the post-war boom in hydro-electric construction continued without abatement. Although no new large plants were brought into operation, an appreciable increase in the total of installed capacity in Canada accrued from additional units coming into operation in existing stations, principally in those which were partially completed last year. Also excellent progress was achieved on other developments actively under way, the labour situation and the availability of materials being relatively favourable throughout the year.

Installed capacity in Canada which, with the addition of 272,050 h.p. located in the new Province of Newfoundland, now totals 11,622,668 h.p., was increased during the year by 479,900 h.p.; this increase is slightly greater than that of 1948 and is well in excess of pre-war yearly rate of expansion of about 300,000 h.p. A number of large developments which are in a state of advanced construction will add about 1,500,000 h.p. within the next two years, while other developments are in the preliminary stages of construction or are definitely planned; also, more long-range plans and investigations envisage the development of other sites, several of high capacity.

POWER DISTRIBUTION

In the field of power distribution, construction similarly was very active. New main transmission lines were completed or were under construction in most sections of the country. Many new transformer stations and sub-stations were built and secondary lines were extended. Rural electrification was particularly active in Quebec, Ontario and Manitoba.

During the year the demand for hydro-electric energy continued to expand throughout the country as a result of a high level of industrial activity in conjunction with increased commercial, domestic and rural consumption. The increased over-all demand is reflected in the consumption of primary power which, according to the records of the Bureau of Statistics for the first ten months of 1949, increased 3.1 per cent over that for the same period of 1948, the previously high year, and 12.9 per cent over 1947. However, despite the additions to generating capacity which were made in 1948 and 1949, total production of central electric stations in 1949 was only 2.8 per cent greater than that of 1947. Generally speaking, stream flow conditions were unfavourable for a considerable part of the year and, at times, some of the large hydro-electric systems had difficulty in meeting all power demands. The completion of a number of the larger plants which are now under construction will be necessary before essential reserve capacity becomes available.

JEAN MONNET TO OPEN FAIR: Jean Monnet, eminent French financial authority will open the third Canadian International Trade Fair in Toronto next May.

In making this announcement on January 9, the Minister of Trade and Commerce, Mr. Howe, expressed deep appreciation of M. Monnet's acceptance of the invitation recently extended to him by the Government of Canada. The first Canadian Trade Fair was opened by His Excellency the Governor General, the second by Secretary of Commerce Sawyer of the United States, and the third will bring to Canada an outstanding European figure.

"The great importance of the Canadian Trade Fair", Mr. Howe pointed out, "lies in its actual and potential contribution to a greater and better distributed flow of world trade. It is a project which, on that ground, merits the best possible support in business circles both in Canada and abroad. M. Monnet, as Commissioner of the National Economic Council of France, holds a key position in the very centre of European effort to place world trade again on a vigorous self-sustaining basis."

Born in Cognac, France, Jean Monnet achieved distinction during two world wars as a co-ordinator of allied war efforts in Paris, London and Washington. He was Deputy Secretary-General of the League of Nations, 1919-23, playing an important part in the financial stabilization of Austria, Poland and Rumania, and for a period was economic adviser to the Chinese Government. After the liberation of France in 1945, he drew up a five-year programme for the reconstruction and modernization of French industry, known as the Monnet Plan, and as Commissioner of the Economic Council, he is now responsible for the implementation of this programme.

NORTH ATLANTIC TREATY ORGANIZATION: The first meeting of the United States-Canada Regional Group, under the North Atlantic Treaty Organization, will be held in Washington January 17, it was announced on January 7 simultaneously in Ottawa and Washington.

The meeting, to be held at the Pentagon, will take up North Atlantic Treaty Organization matters. Canadian members attending the meeting will include the Canadian Chiefs of Staff and their advisers. They will arrive by plane at Washington National Airport at 3 p.m. EST, January 16.

General J. Lawton Collins, Chief of Staff of the United States Army, will meet the Canadians at the airport. Members of the Canadian party include: Lieutenant-General C. Foulkes, CB, CBE, DSO, Chief of the General Staff, Air Marshal W.A. Curtis, CB, CBE, DSC, ED, Chief of the Air Staff, Vice-Admiral H.T.W. Grant, CBE, DSO, Chief of the Naval Staff.

INDUSTRIAL EMPLOYMENT: Employment in the eight major industrial groups showed a further slight decline at the beginning of November, but there was a small advance in the expenditures in weekly salaries and wages as compared with October 1, according to data received from 20,712 representative employers. The reduction in the working force again took place among male employees, whose numbers fell 0.3 per cent, while that of women rose 0.5 per cent in the month. The difference in the trends was due to the changes in the industrial distribution of employment.

Based on the 1926 average as 100, the general index number of employment in the eight leading industries at the beginning of November was 201.9 as compared with 202.2 at October 1, and 203.6 at November 1, 1948. Except for November 1, 1948, the latest index is the highest in the record of 29 years. Although the November 1, 1949 figure was 0.8 per cent below that indicated 12 months earlier, there was an increase of three per cent in the index of payrolls, which reached a new all-time maximum.

The co-operating employers reported a rise of 0.4 per cent in their disbursements in weekly salaries and wages at November 1 as compared with October 1. Further upward adjustments in wage rates in several industries contributed to the higher expenditures in which another factor was longer working hours in some industries. The indicated weekly earnings averaged \$43.78 at November 1 as compared with \$43.55 at October 1, and \$42.15 at November 1, 1948.

1949 FARM INCOME \$2,409,165,000: Cash income of Canadian farmers from the sale of farm products in 1949 amounted to \$2,409,165,000, according to an advance preliminary estimate by the Bureau of Statistics. This figure is slightly below the 1948 peak of \$2,449,900,000, but substantially above the 1947 total of \$1,962,276,000.

The Bureau points out that Canadian Wheat Board participation payments to western producers on previous years' crops were substantially larger in 1948 and 1949 than in any year up to that time. Since August 1, 1949, western producers of coarse grains have received only an initial payment per bushel as provided under the terms of the compulsory coarse grain marketing scheme which entitles them to share in any surpluses accumulated by the Canadian Wheat Board through the sale of these grains.

In addition to the above totals, supplementary payments made under the provisions of the Prairie Farm Assistance Act in 1949 totalled \$17,628,000 as compared with \$20,746,000 in the preceding year, and \$11,577,000 in 1947.

The advance estimates of cash income indicate lower returns in 1949 than in 1948 in all provinces except Saskatchewan and Alberta. Ontario had the largest total of \$641,350,000

compared with \$668,353,000, followed by Saskatchewan at \$540,638,000 compared with \$520,563,000, Alberta at \$452,384,000 compared with \$448,997,000 and Quebec \$343,604,000 compared with \$352,153,000.

\$83,283,400 FOR MOVIES: Canadians spent a record total of \$83,283,400 on motion picture theatre entertainment in 1948, an increase of six per cent over the preceding year's total of \$78,476,800. Of the gross receipts in 1948, \$13,626,000 was paid to federal and provincial Governments in taxes as compared with \$15,819,000 in 1947. Net receipts were up to \$69,657,200 from \$62,865,300, or by 11 per cent. There were 222,459,200 paid admissions during the year, a gain of one per cent.

Expenditures on this form of entertainment in 1948 amounted to \$6.50 per person compared with \$6.30 in 1947 and \$5.01 in 1942.

CHANGE ARMY'S AGE LIMIT: A change in the age limits of applicants for enlistment in the Canadian Army Active Force has been announced by Army Headquarters.

Candidates for enlistment, regardless of whether or not they are skilled tradesmen, now must be between the ages of 17 and 29 years. Until recently age limits were from 17 to 25 for non-tradesmen and 17 to 35 for tradesmen.

Special cases of older applicants possessing exceptionally high instructional or trades qualifications or experience will be referred to Army Headquarters by personnel depots for a decision. But unless Headquarters O.K.'s their application, they will not be enlisted.

Candidates who have not reached their 18th birthday must produce the written consent of parent or guardian before becoming eligible.

SEEK SETTLEMENTS OF CLAIMS. The Minister of Finance, Mr. Abbott, announced on January 9 that his Parliamentary Assistant, Mr. James Sinclair, M.P., and Mr. C.L. Read, an officer of the Department of Finance, were leaving at the end of this week on a trip to a number of European capitals, in order that they may assist in co-operation with the Ambassadors and other resident Canadian representatives, in the settlement of financial claims which Canada has outstanding against certain European countries. These claims arise from the furnishing of supplies to the civil population of these countries by the armed forces during the conduct of military operations on the continent of Europe. Canada shared with the United States and the United Kingdom in the financing of these supplies and in the settlement of the claims arising out of them.

Mr. Sinclair and Mr. Read are planning to proceed first to Brussels, then to Luxembourg, and later to Paris, Rome, Belgrade, possibly Athens, Copenhagen, and Oslo.

10-MONTH IMPORT TOTAL \$2,308,200,000

UP \$141,400,000: Three major factors affected the composition and volume of Canadian imports in the first 10 months of 1949, the latest period for which the official figures are available. The supply situation in many lines of imported goods has eased since 1948, thus tending to increase the volume of imports. The relaxation of some of the Emergency Exchange Conservation restrictions first imposed in 1947 has had a similar effect. On the other hand, the abnormal post-war demand for some types of imports has subsided, reducing purchases of these goods. These three factors have also changed the relative importance of some supplying countries. The effects of import price changes have not been very great during the period. Only a small increase in average prices appears to have occurred, so that much of the increased value of imports in the 10 months has been due to a larger volume. As a result of these and other forces, the 10-month total value of imports for consumption rose to \$2,308,200,000, \$141.4 million above

the corresponding 1948 value. However, two of the main groups of imports did not rise over their 1948 totals. These were the non-metallic minerals group, which was affected by greatly reduced imports of fuels, and the fibres and textiles group, owing chiefly to lower imports of jute and raw wool. Imports in the animals and animal products group rose only slightly above the 1948 value. Total imports in September and October fell below the corresponding 1948 monthly values, and for some months previously had shown less increase over 1948 values than characterized the early months of 1949.

The trends of the first 10 months of this year may not be continued in the succeeding months. The effects of the widespread currency revaluations in September, including the devaluation of the Canadian dollar on September 19, have not yet become fully apparent. New trends may emerge when prices and trade patterns have become adjusted to these changes.

(Continued from P. 1)

The preliminary suggestions as to categories were as follows: Sections which would be the concern only of Parliament; sections which would concern Parliament and only one, two or three Provinces; sections which would affect Parliament and all the Provinces; and sections concerning entrenched provincial and minority rights.

Provision will likely be made in the amending machinery to be advised requiring that any future changes in such machinery likewise should require unanimous consent of all ten Provinces.

As well, the discussion indicated, a provision will be included permitting delegation of existing powers by Parliament to the Provinces or alternatively by one or more of the Provinces of their powers to Parliament.

Ontario Premier L.M. Frost submitted some suggestions on amending machinery, as did Nova Scotia Premier Angus L. Macdonald along similar lines but in more detail.

New Brunswick Premier J.B. McNair urged, with the support of Alberta Premier E.C. Manning, that the Conference should draft an entirely new constitution as a Canadian document. However, the majority view seemed to be that, at this Conference, attention should be limited to formulating amending machinery for the British North America Act, and associated acts, as it stands, as a statute of the United Kingdom Parliament, with all future amendments, however, to be made in Canada.

ARMED SERVICES FILM CATALOGUE: Films play "an ever increasing role" in Canada's armed forces training programme and "their contribution to modern training methods is invaluable", the Minister of National Defence, Mr. Claxton, said on January 12, in announcing release of an Armed Services film catalogue.

The catalogue lists 371 unrestricted 16 mm films drawn from Canadian, United Kingdom and United States sources. It will be distributed to units of the Active and Reserve Forces as well as to Naval Officers' Associations, Military Service Associations, Military Institutes and RCAF Associations.

ECONOMIC ACTIVITY AT HIGH LEVEL: Reflecting the high level of economic activity, the amount of cheques cashed against individual accounts in November was 6.5 per cent greater than in the corresponding month of 1948; the all-Canada total standing at \$8,540,000,000 -- the second highest monthly total in history -- as compared with \$8,022,000,000.

VOCATIONAL TRAINING AGREEMENT: The Minister of Labour, Mr. Mitchell, announced on January 11 that an Order-in-Council had been passed authorizing the federal Government to enter into an agreement with Newfoundland to provide financial assistance to Canada's tenth province for vocational training at the secondary school level.



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WEEK'S EVENTS IN REVIEW

DELEGATION TO ECONOMIC AND SOCIAL COUNCIL:

The Acting Secretary of State for External Affairs, Mr. Claxton, on January 19, announced the composition of the Canadian Delegation to the 10th Session of the Economic and Social Council which opens in New York on February 7.

The Delegation is as follows:

Representative:

Mr. Raymond Eudes, M.P.

Alternate Representatives:

Dr. George Davidson, Deputy Minister of Welfare, Department of National Health and Welfare; and Mr. S.D. Pierce, Associate Deputy Minister, Department of Trade and Commerce.

The Principal Adviser to the Delegation will be Mr. John W. Holmes, Head of the United Nations Division in the Department of External Affairs. After the departure of General McNaughton, Mr. Holmes will serve as Acting Head of the Permanent Delegation in New York for a period which will include the 10th Session of the Economic and Social Council.

Other advisers will be drawn from among officials in Ottawa and at the Permanent Delegation in New York.

The Economic and Social Council is composed of 18 countries elected by the General Assembly for a period of three years. Canada was one of the original members and served until the end

of 1948. After an absence of one year, Canada returns to the Council for a second three-year term ending December 31, 1952.

PARLIAMENT RE-OPENS FEBRUARY 16: The second Session of Canada's 21st Parliament will open Thursday, February 16, it was announced on January 17 by the Prime Minister, Mr. St. Laurent.

The Prime Minister also announced the appointment of Walter E. Harris, Parliamentary Assistant to the Prime Minister, to be Minister of the new Department of Citizenship and Immigration.

The former Minister of Mines and Resources, Mr. Gibson, has been appointed to the Bench of the Ontario Supreme Court, Appeal Division. The former Minister of Reconstruction, Mr. Winters, assumes the new portfolio of Resources and Development, and the Minister of National Revenue, Dr. McCann, is taking over the new Department of Mines and Technical Surveys, and retaining his present portfolio.

Mr. Ralph Maybank, Parliamentary Assistant to Mr. Gibson, becomes Parliamentary Assistant to the Minister of Mines and Technical Surveys.

Judicial appointments announced include the promotion of Mr. Justice J. Keiller Mackay of the Ontario High Court to fill the other vacancy in the Court of Appeal and appointment of J.M. King, K.C., of Stratford to succeed him on the High Court Bench.

NINE MONTHS' SURPLUS \$299,100,000

REVENUES DECREASE: The Minister of Finance, Mr. Abbott, on January 14, released the monthly statement of the Comptroller of the Treasury covering revenues and expenditures for the month of December and the fiscal year to date.

Total revenues of the Government for the month of December amounted to \$199.6 million, down 9.4% from the \$220.2 million of December 1948. For the first nine months of the current fiscal year total revenues amounted to \$1,836.4 compared with \$1,956.2 for the same period a year ago, a decrease of \$119.8 million or 6.1%.

Excise taxes collected in December \$49.2 million were down some \$6.6 million from \$55.9 million a year ago and have dropped about 10.2% in the fiscal year to date or from \$455.1 million to \$408.7 million. Personal income taxes collected in December amounted to \$35.6 million as compared with \$46.6 million in the same month of 1948. For the first nine months of the fiscal year collections in this classification totalled \$471.9 million as compared with \$564.8 million in the same period of 1948, a reduction of \$93.0 million or 16.5%. These declines due to reductions in the tax rates were in the nine months to date partly offset by an increase in corporation income tax of \$72.3 million.

Total expenditures in the month of December were \$200.3 million compared with \$170.2 mil-

lion in December 1948. Aggregate expenditures for the first nine months of the fiscal year were \$1,537.4 million, an increase of \$191.0 million or 14.2%. Increases in expenditures in the nine months were principally accounted for by: National Defence, \$76.6 million; Family Allowances, \$19.5 million; Old Age Pensions, \$9.7 million; expenditures by the Department of Mines and Resources, \$12.7 million including Payments under the Emergency Gold Mining Assistance Act; and compensation to Provinces under the Tax Rental Agreements, \$8.9 million. Principal decreases in expenditures in the same period were: Interest on the Public Debt, \$7.1 million; and Department of Veterans' Affairs, \$31.9 million.

Expenditures for December exceeded revenues by \$769,000, thereby reducing the budgetary surplus for the first nine months to \$299.1 million compared with \$609.8 million in the same period a year ago. As in previous years, expenditures in the closing months of the year are expected to exceed revenues by substantial amounts and thereby reduce correspondingly the surplus for the full year.

The budgetary surplus of \$299.1 million does not take into account certain loans, advances and investments made by the Government totalling \$22.8 million in December, and \$176.0 million in the first nine months of the fiscal year.

CIVIL AVIATION DISCUSSIONS: The Department of External Affairs announced on January 13, that the civil aviation discussions between representatives of the Governments of the United States and Canada which have been concluded were carried on in the traditional atmosphere of mutual confidence and cordiality which always exists between the two Governments. The consultations covered a wide field of questions relevant to the Bilateral Air Transport Agreement of June 4, 1949, between the United States and Canada, including the operations of Colonial Airlines between Canada and the United States and the contemplated operations of a Canadian carrier between the United States and Canada, as provided for under the terms of the Agreement.

Under the terms of the bilateral Air Transport Agreement of June 4, 1949, which was entered into by the two Governments with the object of insuring mutuality of benefit, a Canadian carrier is to be authorized to operate on the Montreal-New York route, which, under the terms of the Inter-governmental Agreement is to be flown by both United States and Canadian air lines.

As it is inequitable, having regard to the terms of the Air Transport Agreement of June 4, 1949, that a Canadian carrier should be denied the right to operate on the Montreal-New York

route while Colonial Airlines continues to do so pending a final adjudication in the courts of the United States of the validity of the Air Transport Agreement, the representatives of the United States have agreed that the United States will not designate a United States carrier to operate the direct New York-Toronto route, nor will the United States expect the Air Transport Board to licence a United States carrier on the trans-border route from Great Falls to Edmonton, until such time as the United States authorities are in a position to grant authority to a Canadian carrier to operate between Montreal and New York. These routes represent two of the new rights granted to the United States under the 1949 Air Transport Agreement.

In the meantime, successful efforts have been made to expedite the proceedings in the courts of the United States. On January 5, 1950, there was filed with the Supreme Court of the United States a motion urging that the decision of the lower court in favour of the United States Government become effective at once unless prompt action was taken by Colonial Airlines to prosecute an appeal to the Supreme Court of the United States. Agreement was reached by the interested parties to the appeal, which was approved by the Chief Justice of the United States Supreme Court, that the

appeal will be pressed, and that on the assumption that the Supreme Court of the United States decides to entertain the appeal of Colonial Airlines from the decision against it in the lower court, the case is to be argued on February 17, 1950. The United States representatives gave assurance that if the decision of the Supreme Court is favourable the Civil Aeronautics Board would submit to the President with the greatest expedition their decision concerning the application of TCA to operate between Montreal and New York.

The Air Transport Board issued the following statement:

The Board has noted that the United States Government has arranged for a hearing on February 17 by the Supreme Court of the United States of the case instituted by Colonial Airlines to determine the validity of the Bilateral Air Agreement between Canada and the United States. In the circumstances the Board does not propose to take the action with respect to Colonial Airlines which it considers it would be justified in taking in other circumstances. The Board has been informed that further inter-governmental discussions will take place if the decision of the Supreme Court makes this desirable.

SEAMEN'S VOCATIONAL TRAINING: In a joint statement on January 13 the Departments of Transport and of Veterans Affairs gave further details on the Order-in-Council under which the period in which certain merchant seamen may apply for vocational training has been extended. Under the original plan, the cut-off date for applications was June 30, 1949. Under the new Order-in-Council this has been extended until September 30 of this year. It is not essential for applicants to commence their training at once for under the new plan they will be given six months from the date of application to actually commence their course. This period can be further extended in certain cases because authority is given to the Minister of Transport to defer the commencement of training when it appears to be advisable but the application still must be made prior to September 30 of this year.

As was the case in the previous Order, applicants for training should be under thirty years of age but the Ministers of the Departments have the authority to provide training over the age of thirty if the seaman is unemployed and domiciled and resident in Canada. Another condition of eligibility is that the applicant must have received or have been eligible for the bonuses paid to those who served in the merchant seaman's manning pool during World War II.

FARM PRICES LOWER: Farm prices of agricultural products were lower on the average in November than October, according to the monthly figures compiled by the Bureau of Statistics.

The Bureau's all-Canada index, on the base 1935-39=100, is tentatively estimated at 246.0 as compared with 247.1 in October and 258.0 in November, 1948. The month's decrease continues a more or less general decline since August 1948, when the index reached a peak of 263.9. Since that time the index has dropped about seven per cent and for November was at the lowest level since April, 1948, when it stood at 242.6.

As compared with November, 1948, prices were lower for grains, livestock, dairy products, poultry and eggs, and higher for potatoes. Compared with the preceding month, the November farm prices were down for livestock, potatoes, and poultry and eggs.

COST-OF-LIVING INDEXES: Cost-of-living indexes for the eight regional cities presented mixed changes during November. Food indexes were moderately lower for all cities, but slight increases in rentals at certain centres were sufficient to overbalance declines for the former indexes. Index changes for other groups were generally narrow. Homefurnishings and services for Saint John rose 4.7 points during the month, due to increases in telephone rates, while the miscellaneous index for Winnipeg moved up 1.1 points, reflecting advances in street car fares and gasoline.

The composite cost-of-living index for Edmonton declined 0.7 points to 156.4 between November 1 and December 1, Halifax 0.6 points to 153.6, Vancouver, 0.4 points to 161.9, Montreal 0.2 points to 164.1, and Saskatoon 0.1 points to 162.7. The index for Toronto rose 0.2 points to 157.4, Saint John 0.1 points to 158.0, while there was no change in the Winnipeg series which stood at 155.7. During the same period the national index declined 0.2 points to 160.2.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on January 5 totalled 165,976,000 bushels as compared with 167,416,000 on December 29, and 169,702,000 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 1,900,600 bushels compared with 3,439,000 a year earlier, bringing the cumulative total for the crop year to January 5 to 239,257,000 bushels as against 234,140,000.

CARLOADINGS: Carloadings on Canadian railways during the week ending January 7 amounted to 54,498 cars as compared with 49,011 in the preceding week and 67,999 in the corresponding week last year. Loadings in the eastern division totalled 36,814 cars against 43,704 a year earlier, while western volume was down from 24,295 to 17,684 cars.

FAVOURABLE BALANCE WITH U.S. IN NOVEMBER

RECORD EXPORTS: With exports the highest of the year by a substantial margin and imports only slightly above the average of the previous 10 months, Canada's credit balance in November in commodity trade with all countries was the largest of any month in 1949, amounting to \$55,900,000 as compared with \$37,400,000 in October and an average of \$13,000,000 for the 10 months January to October. The November balance was slightly below that of \$58,200,000 for November, 1948, but more than double the figure of \$26,900,000 for November, 1947.

For the 11 months ending November, the cumulative credit balance was \$186,400,000 as against \$385,800,000 in 1948 and \$161,100,000 in 1947.

Domestic exports in November were valued at \$292,300,000 as compared with a monthly average of \$241,500,000 for the January-October period, and re-exports at \$3,200,000 as against an average of \$2,360,000; while imports amounted to \$239,600,000 compared with an average of \$230,800,000 for the previous 10 months. For the 11 months ending November, the aggregate value of domestic exports was \$2,707,400,000, re-exports \$26,800,000, and imports \$2,547,800,000.

In contrast with the customary large debit balances in the previous months of the year, Canada had an export balance of \$10,900,000 in November trade with the United States. This resulted from a record value of \$171,300,000 for exports, while the value of imports at \$162,700,000 was slightly below the average of

\$163,800,000 for the earlier months. For the 11 months, the debit balance with the United States on commodity account aggregated \$438,500,000 compared with \$273,700,000 in 1948 and \$884,200,000 in 1947.

Due to a rise over October in imports from the United Kingdom and a drop in exports, Canada's credit balance with that country fell off in November to \$30,700,000 from \$53,300,000 in October but was slightly above the balance of \$28,600,000 for November, 1948. For the 11 months the credit balance was moderately higher at \$372,400,000 compared with \$365,200,000 for January-November, 1948.

The reduction in the size of Canada's export balance from trade with all countries in the 11 months is mainly the result of the higher level of Canadian imports which was characteristic of the first seven months of the year, the 11-month total of \$2,547,800,000 comparing with \$2,405,000,000 for the like period of 1948. Domestic and foreign exports during the period were only slightly less than in 1948.

Both in 1949 and 1948 a considerable part of the surplus resulted from heavy exports in the later months of the year. Last year the volume of exports in the aggregate appears to have been less than in 1948, while the volume of imports increased appreciably. At the same time average prices appear to have been slightly higher in 1949 than in 1948 in the case both of exports and imports.

HOME-BUILDING UP 23.4 PER CENT: More than 72,000 dwelling units were completed in Canada during the first 10 months of 1949, an increase of 13,600 or 23.4 per cent over the same period of 1948. Starts, on the other hand, were down slightly, totalling 76,800 as compared with 78,600, a decline of 2.2 per cent. The number under construction at the end of October was 61,000 units as compared with 62,900, showing a decrease of three per cent.

In October, 9,059 units were completed, well above the September total of 7,563 and also higher than the October 1948 completions of 8,164 units. Starts were made in October on 8,964 units, down from the September total of 10,035, but considerably above October 1948 when starts were made on 7,437 units.

Increased numbers of dwelling units were completed in all provinces except New Brunswick and British Columbia in the first 10 months of 1949. Ontario led with a total of 25,630 completions as compared with 20,811 a year earlier, Quebec following with 19,191 compared with 15,873, British Columbia 8,626 compared with 8,910, Alberta 7,697 compared with 3,680,

Manitoba 3,817 (3,326 in 1948), Saskatchewan 3,040 (2,337), Nova Scotia 2,499 (1,847), New Brunswick 1,319 (1,461), Prince Edward Island 238 (157).

During the first 10 months of 1949, the percentage of dwelling units built for rental purposes was estimated at 27.5, slightly higher than the figure for the same period of 1948.

MR. CHANCE U.N. COMMITTEE CHAIRMAN: The Economic and Social Council's 13-member ad hoc Committee on Statelessness and Related Problems began this week a series of meetings with a view to recommending measures for improving the international status of refugees and stateless persons, and means of eliminating statelessness.

Mr. Leslie G. Chance (Canada) was elected Chairman upon the nomination of the United Kingdom; Mr. Knud Larsen (Denmark) was elected Vice-Chairman upon the nomination of Turkey; and Mr. Ramiro Saraiva Guerreiro (Brazil) was elected Rapporteur upon the nomination of Venezuela.

DELEGATES TO GENEVA CONFERENCE: The Minister of Labour, Mr. Mitchell, on January 17, announced the names of Canada's delegates to an ILO Preparatory Technical Conference on Vocational Training of Adults, Including Disabled Persons, to be held at Geneva from January 23 to February 3, 1950.

Brigadier J. E. Lyon, Assistant Director, Canadian Vocational Training Branch, Department of Labour, Ottawa, will be the Canadian Government representative. Representing the Employers of Canada will be Roy L. Campbell, Secretary, Canadian International Paper Company, Montreal, P. Q., while William H. Burnell, First Vice-President, International Brotherhood of Pulp, Sulphite and Paper Mill Workers, Cornwall, Ontario, will represent labour.

The Minister explained that the Governing Body of the International Labour Organization had decided to call this conference since the question of vocational training had recently come into special prominence throughout the world. The training of disabled persons in particular had become a matter of special urgency as a result of World War II.

This conference would pave the way for discussions on the subject at the International Labour Conference next summer, by providing an opportunity for representatives of the various countries to consider draft international regulations embodying principles and methods for the successful operation of training schemes for adult workers, including the disabled.

WELFARE WORK AMONG INDIANS: A new emphasis is being given to social welfare work among Canadian Indians, according to an announcement made on January 17 by the Minister of Mines and Resources, Mr. Gibson. Three Social Workers have been named to the staff of the Indian Affairs Branch, and six others will be appointed in the near future, to carry out welfare duties on behalf of the Indian population in all parts of the country.

Duties to be performed by these Social Workers are many and varied. They include care of the aged, guidance of children graduating from Indian schools, the organization of women's clubs, instruction in sewing, canning, and sanitation, and assistance to young Indians stranded in cities or towns.

Two of the new officers have been assigned to posts in Ontario, and the third will assume social service duties in Manitoba.

GRANTS TO HOSPITALS: Hospitals in Hazelton, B. C., Gainsborough and Regina, Sask., and a medical nursing unit in Wawanesa, Man., have been awarded grants under the federal plan to aid hospital building the Minister of National Health and Welfare, Mr. Martin, has announced.

LABOUR INCOME AT ALL-TIME HIGH: Estimated total of salaries and wages and supplementary labour income in Canada reached an all-time high of \$663,000,000 in October, showing an increase of \$1,000,000 over the preceding month and a rise of \$30,000,000 over the October 1948 total of \$633,000,000. This raised the aggregate for the first 10 months of 1949 to \$6,327,000,000 from \$5,867,000,000 in the like period of 1948, or by 7.8 per cent, gains occurring in all main categories except the primary industries, the Bureau of Statistics announces.

Labour income in agriculture, logging, fishing, trapping and mining in the month was down to \$53,000,000 from \$54,000,000 in September and \$57,000,000 a year earlier. The 10-month total for this group was lower at \$488,000,000 compared with \$514,000,000 in the same period of 1948.

In manufacturing, labour income in October totalled \$219,000,000 as against \$220,000,000 in September and \$213,000,000 in October, 1948. In the 10 months ended October the group total was \$2,147,000,000 against \$1,997,000,000 a year earlier.

In construction the month's labour income was \$52,000,000 compared with \$53,000,000 in September and \$48,000,000 a year ago, and in the 10 months, \$436,000,000 compared with \$393,000,000.

The estimated total for utilities, transportation, communication, storage and trade was \$175,000,000 in October compared with \$174,000,000 in September and \$164,000,000 in October, 1948, bringing the 10-month figure to \$1,671,000,000 as against \$1,516,000,000 a year earlier.

In finance and services -- including government -- the month's labour income amounted to \$141,000,000 compared with \$138,000,000 in September and \$130,000,000 a year ago. In the 10 months the aggregate stood at \$1,371,000,000 compared with \$1,251,000,000.

Supplementary labour income in October totalled \$22,000,000; unchanged from September, but \$1,000,000 above October, 1948. In the 10 months the aggregate was \$207,000,000 compared with \$194,000,000.

LEADING MINERALS: Output of 11 of 16 of Canada's leading minerals in September was higher than in the corresponding month of 1948, while in the first nine months of the year, production was advanced in 12 of the 16 items.

Output was as follows in September, totals for the same month of 1948 being in brackets: asbestos, 71,963 (68,424) tons; cement, 1,559,238 (1,481,347) barrels; clay products, \$1,707,670 (\$1,733,697); coal, 1,744,205 (1,578,467) tons; copper, 44,223,948 (39,177,650) pounds; gold, 364,301 (294,963) fine ounces; gypsum, 378,008 (347,081) tons; iron ore, 483,469 (234,236) tons.

MR. ST. LAURENT ADDRESSES BUILDERS: The following is the partial text of the address delivered by the Prime Minister, Mr. St. Laurent, before The Canadian Construction Association, in Montreal, on January 16:

"...In extending the frontiers of development, we have uncovered a wealth of new resources. This nation is endowed with greater potential wealth per capita than any other people. Much of that wealth - and I believe most of it - remains to be developed. And development means construction and still more construction. That is why I believe construction will long remain the watchword of the Canadian nation.

"I also believe - and I am convinced that the majority of Canadians also believe - we can best develop our resources and build up our national economy by giving the widest possible scope to private endeavour. I am more convinced than ever that the skill, ingenuity and foresight of Canadians as individuals will bring the most rapid and the most effective development of this country.

"But I do not believe that private endeavour and action by Government are naturally opposed to each other. In all our great periods of development there has been close co-operation - sometimes almost a partnership - between private endeavour and public enterprise....

RESPONSIBILITY OF GOVERNMENTS

"We do not want to see the greater part of construction undertaken by Governments. Of course we know Governments today have much more to do than maintain law and order and build a few roads and breakwaters.

"We must try to direct all our economic policies in such a way as to create conditions in which businessmen, builders, contractors, workers, in fact all our people are encouraged to make their most useful contribution to the activity of the whole community....

"Activity in the construction industry is still as buoyant as it has been since the end of the war, but it may be that we will shortly be moving into a new phase in which demand will not be quite so insistent.

"That may not be altogether a bad thing. I am sure that many of you must have felt in recent years that a period of consolidation would have to come; that the spiral of increasing costs could not continue; and that, in the long run, everyone in the community, including your own industry, would benefit by the return of some pressure for higher productivity and somewhat lower construction costs.

"In looking to the future everyone counts upon the construction industry to do its full part in maintaining a high level of employment throughout the country. But it would be wrong to assume that the construction industry alone can be an adequate instrument to stabilize the whole economy.

"I don't believe the industry itself would want us to try to meet all employment problems

with additional construction programmes. If we tried that policy, the result would be great swings in construction activity.

"What we should try to do is to pursue public construction policies which will keep the industry reasonably stable and maintain a high level of employment in construction.

"On the other hand there is no question that the maintenance of a high level of construction will greatly help to keep up the general level of employment.

"As you know, even before the recent war concluded, the present administration adopted as a primary object of policy the maintenance of a high and stable level of employment and income throughout the Canadian economy. This aim remains a primary object of our Government's policy....

"In general terms, the level of employment and income depends upon the level of our export trade, upon the demand at home for consumer goods, upon private investment in capital goods, and only to a limited degree upon public investment and Government construction....

"The prospects for private construction in 1950 are bright; but we intend to go on maintaining a backlog of postponable public projects to be available as a "floor" whenever it may be required...."

CANADA'S AIR ROLE: The following is the partial text of a review of 1949 RCAF activities by Air Marshall W.A. Curtis, Chief of Staff of the RCAF, which was mailed to reserve, retired, and former members of the RCAF:

"...The last year marked a turning point in the postwar progress of the RCAF. For the first time we were able seriously to turn our attention to building up the operational element of the Force. This was possible only because of the emphasis placed on building a supporting framework immediately following the war.

"Our original concept was of a Force to consist primarily of a nucleus body, able to expand rapidly in event of war. We now see, in the light of the changing world situation, that we must go farther than that. The nucleus concept still holds good so far as mobilization to full wartime strength is concerned, but in addition the RCAF must be brought to the point where it is able to bring into immediate action those forces required for the initial defence of Canada. The Service is being brought to this state....

"The training programme is well established and recruiting is being intensified. Strength at the beginning of the year was 13,832. At the time I am writing this it stands at approximately 16,600, a satisfactory step towards reaching our presently approved establishment of 18,278. Construction of married quarters has come along well. This past year found us able to turn our attentions to setting up the operational side of the Service.



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WEEK'S EVENTS IN REVIEW

PRAGUE EXPELS TWO CANADIANS: Word has been received from the Canadian Chargé d'Affaires in Prague that the Czechoslovak Ministry of Foreign Affairs has demanded that Sergeant R.W. Danko and Corporal J.G. Vanier of the Staff of the Canadian Air Attaché in Prague leave Czechoslovakia "within twelve hours". The Ministry has made certain charges against these two men without producing any supporting evidence, and has declared them to be persona non grata.

This incident is apparently part of deliberate policy in certain of the satellite countries where members of the staffs of Western diplomatic missions have been subjected to baseless accusations, followed by demands for their expulsion.

The Government has under active consideration the appropriate steps to be taken in the circumstances. Meanwhile, Sergeant Danko and Corporal Vanier have been recalled to Canada and have now left Czechoslovakia. Their personal reports will be made immediately they arrive.

ATOMIC ENERGY CONFERENCE: The following is the text of the announcement, made simultaneously, on January 26, in Canada, the United States and the United Kingdom, on a meeting of the representatives of the atomic energy agencies of the three nations, in England, February 9 to 12:

In the interest of continued uniform application of measures for security of atomic energy information held in common by the United States, the United Kingdom and Canada, representatives of the atomic energy agencies of the three nations will meet February 9th-12th, 1950, at the British Atomic Energy Research Establishment, Harwell, Didcot, Berks, England.

The three nations now use uniform declassification guides in determining what information arising from their atomic energy research and developmental work may be published and what information is to be classified and restricted in circulation. These guides were developed at the first declassification meeting of the representatives of the three Governments November 14th-16th, 1947, in Washington,

85,000,000-POUND CHEESE CONTRACT: The Minister of Agriculture, Mr. Gardiner, announced on January 19 that a cheese agreement has been negotiated with the United Kingdom which provides for a maximum quantity of approximately 85 million pounds at a price of 25 cents per pound, basis First Grade FAS Canadian Seaboard.

The Agreement provides for the shipment of 77 million pounds of cheese with a 10 per cent tolerance, that is, Canada will undertake to deliver a minimum of 70 million pounds and the United Kingdom will undertake to purchase up to 84,700,000 pounds.

The price of 25 cents is FAS Canadian Seaboard as compared with a price equivalent to 31 cents FOB Montreal in the 1949 Agreement. The maximum quantity of cheese to be delivered in 1950 is 35,000,000 pounds greater than that of the 1949 contract.

The Minister further announced that the Dairy Products Board has been authorized to pay a price during the year 1950 of 28 cents per pound, basis First Grade, FAS Canadian Seaboard for all cheese purchased under the terms of this Agreement; the difference between the purchase price of 28 cents at which the cheese is bought in Canada and the price of 25 cents per pound for sale to the United Kingdom will be made up from funds provided by the Government of Canada. This arrangement is for the year 1950 only and is designed to assist cheese producers in making the adjustment to the lower price level.

RECORD HIGH COAL OUTPUT: Canadian production of coal rose to an all-time high annual total in 1949, the year's output increasing 3.5 per cent over 1948, and 1.2 per cent above the previous record set in 1942. Imports showed a sharp decline of 35.4 per cent as compared with 1948.

According to preliminary figures, the all-Canada output for the calendar year 1949 amounted to 19,092,000 tons as compared with 18,450,000 in the preceding year and 18,865,000 in 1942. Imports in 1949 totalled 20,045,000 tons, sharply lower than the 1948 figure of 31,054,000 tons.

Preliminary totals for December place the month's production at 1,796,000 tons, moderately below the December 1948 total of 1,840,000 tons. Reversing the trend of the previous 11 months, imports in December rose to 1,527,000 tons from 1,282,000 a year earlier, or by 19.1 per cent.

1947 LUMBER RECORD: Canada's lumber industry had its busiest year on record in 1947 up to that time, when the gross and net values of products were the highest ever recorded, and new peaks were reached in the number of active mills, the number of employees, and the salaries and wages paid, according to the detailed report on the industry by the Bureau of Statistics.

The gross value of the products of the industry in 1947 amounted to \$402,133,000 an increase of 39.7 per cent over the 1946 value of \$287,910,000. The number of active mills reporting to the Bureau was 6,481 compared with 6,001, and their employees averaged 55,426 compared with 49,352, with salary and wage payments at \$83,360,000 compared with \$63,811,000. The net value of production, or value added by manufacture, was \$190,515,000 compared with \$129,408,000 in 1946.

ALL-TIME HIGH WAGES: Average weekly wages paid to hourly-rated wage-earners employed by the larger manufacturing establishments in Canada showed a further rise at November 1, reaching an all-time high figure of \$42.59 as compared with \$42.40 a month earlier, and \$41.16 in the corresponding week of 1948. In the heavy manufactured goods class the average at November 1 was \$46.18 as compared with \$46.35 at October 1, and \$44.67 on November 1, 1948, while in the non-durable goods division, the average stood at \$39.21 compared with \$38.68 at October 1 and \$37.76 a year earlier.

Hourly earnings at November 1 averaged 99.5 cents, also a new maximum figure, as compared with 99.3 cents at October 1, and 95.5 cents at November 1, 1948. Increases in wage-rates in some industries, accompanied by changes in the industrial distribution of the hours reported accounted for most of the increase in the heavy manufacturing industries, in which the earnings at November 1 averaged 107.9 cents compared with 107.8 cents at October 1, and 103.4 cents at November 1, 1948. In the non-durable division the hourly rate was 91.4 cents compared with 91.0 cents at October 1, and 87.6 cents a year earlier.

RECORD VEHICLE ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits rose to a new record total in 1949, increasing 9.1 per cent over the previous high reached in 1948. The greatest improvement over the preceding year was in the Maritimes and Prairie Provinces. The aggregate number of entries into Canada during the calendar year 1949 amounted to 1,990,595 as compared with 1,823,988 in the preceding year and 1,663,853 in 1946.

WHOLESALE SALES DOWN: Sales of wholesalers in November were two per cent below the dollar volume for November 1948 and three per cent lower than in October. Cumulative sales for the first 11 months of 1949 were three per cent higher in dollar volume than in the corresponding period of 1948. The general unadjusted index, on the base, average for 1935-39=100, stood at 306.7 as compared with 314.8.

WORKMEN'S COMPENSATION REVIEW. The Minister of Labour, Mr. Mitchell, announced on January 23 publication of the 1949 edition of "Workmen's Compensation in Canada, A Comparison of Provincial Laws".

This bulletin was prepared by the Legislation Branch of the Department of Labour and shows the legislative changes made in 1949, the Minister explained. These changes include the enactment of a new Workmen's Compensation Act in Prince Edward Island, effective July 1, 1949, and amendments to the Acts of Nova Scotia, Ontario, Quebec and Saskatchewan. The pamphlet contains a summary of the Newfoundland Workmen's Compensation Act.

Mr. Mitchell pointed out that all Canadian Provinces now had a law that provided compensation for industrial accidents, but that the Newfoundland Act was unlike that of the other Provinces in that it makes employers individually liable for injuries to their workmen occurring in the course of employment. In the other Provinces, the statute is of the collective liability type.

The pamphlet shows that under the Prince Edward Island Act, benefits for disability are two-thirds of earnings and the maximum earnings on which compensation is reckoned are \$2,500 a year. A widow is entitled to receive \$40 a month, with \$10 a month for each child under 16.

Provision was made for the payment of increased amounts of compensation in cases of total disability in Saskatchewan. Children's benefits were raised in Nova Scotia, and the maximum annual earnings on which compensation is reckoned were raised from \$2,000 to \$2,500.

Effective January 1, 1950, in Ontario, the basic rate of compensation for disability was increased from 66 2/3 to 75 per cent of average earnings, and the maximum yearly earnings on which compensation is reckoned from \$2,500 to \$3,000. By an amendment effective from July 1, 1948, the monthly compensation payable in death cases, exclusive of burial expenses and the lump sum of \$100, may not exceed the workman's average earnings, instead of two-thirds of such earnings, as formerly. Where the total sum payable would exceed average earnings, the compensation must be reduced but the reduction is not to affect the payment of \$50 to a widow, with \$12 to each child or \$20 to each orphan child, unless the total benefits to such dependents exceed \$100 a month.

In British Columbia, the list of industrial diseases to be compensated was greatly extended.

CARLOADINGS: Carloadings on Canadian railways during the week ended January 14 amounted to 65,729 cars, up from the preceding week's total of 54,498 cars, but down 9,716 or 12.9 per cent from last year's corresponding total of 75,445 cars.

RETAIL SALES UP IN NOVEMBER: Canada's retail trade in November showed a small rise of two per cent in dollar volume over the corresponding month of 1948, continuing the moderate rate of advance shown in the October figures which rose by a similar percentage. The November gain compares with an average increase of 6.5 per cent in the first 10 months of the year. Sales in November were valued at \$661,000,000 as compared with \$697,000,000 in October and \$650,000,000 in November, 1948.

There were increased sales reported in 12 trades and declines in nine as compared with November, 1948. With few exceptions, the percentage changes fell within a narrow margin of the overall increase of two per cent for all trades. Largest increases were those of 15 per cent for coal and wood yards, 12 per cent for shoe stores, and nine per cent for garages and filling stations.

Sales of motor vehicle dealers were practically unchanged in November from the previous year, a result which contrasts with the large gains recorded throughout the earlier part of 1949. Shipments of motor vehicles to dealers fell off during the month due in part to strikes affecting motor vehicle production and there was slowing of production in some plants for assembly-line changeover.

EXERCISE "SWEETBRIAR": Familiar newspaper expressions of the Second World War--"blitzkrieg," "lightning warfare" and their ilk, are expected to be strangely missing from the despatches of news correspondents covering the joint Canada-U.S. Exercise "Sweetbriar" in the Yukon and Alaska next month. Nor will "sitzkrieg" be entirely in order, although some half-frozen reporter may wistfully recall the expression as he keeps in continual motion to avoid freezing to death, an Army news release reports.

There are no "lightning" assaults or counter-attacks, northern experts point out, when the thermometer reaches 40 or 50 below zero. At that temperature a man must devote almost all his energies to keeping alive, and if he hasn't learned his lessons in the art of cold-weather living the chances are that Nature will get him before the enemy does.

What happens when the temperature starts plummeting? Well, ordinary diesel oil begins to solidify at 30 below. Mercury thermometers freeze at 38 below and storage batteries lose more than half their power at low temperatures. A man literally can freeze his lungs by gulping too much air at minus forty. Rubber tires freeze solid and crack. Engines won't start. Drinking water freezes in a few moments. Instruments with delicate moving parts often "freeze" because of the contraction properties of different metals. Steel becomes brittle and snaps or shatters. Food rations freeze so solid that almost everything must be heated in the field. To keep warm a man must wear such

heavy mittens and boots that he cannot easily operate instruments and knobs, nor depress the clutch of his vehicle without also applying the brake. If he touches any metal with his bare hands his skin tears away when he tries to let go. Medicines freeze and burst their bottles. Radio waves are freakish and the frozen ground lacks conducting properties for the efficient grounding of radio, telephone and telegraph equipment.

"INVASION" OF ALASKA: Whitehorse, Y.T., Jan. 27
Rushed into the Yukon interior by motor convoys and Air Force troop carriers, Canadian and American troops with their equipment and supplies are being concentrated here to repel a theoretical airborne invasion of Alaska by an "enemy" Aggressor.

The Allied Force of Exercise "Sweetbriar" is assembling here for a counter-attack to be launched February 13. It will strike at Aggressor troops approaching the Alaska Highway and will be climaxed by a mass jump on February 23 by Canadian paratroopers at Northway, air field in eastern Alaska. This will be the first peacetime air assault ever undertaken under mid-winter conditions in the sub-Arctic.

Approximately 4,700 Canadian and United States ground and air force personnel and 500 Aggressor troops, provided by the U.S. Alaskan Command, 5,200 in all, are taking part in Exercise "Sweetbriar", first troop-training manoeuvre of its kind ever jointly conducted by the Armed Forces of the two countries.

It follows up a series of controlled winter-training exercises conducted individually by Canada and the United States in the Far North since the Second World War. Battalion combat teams of both countries will be involved, with both tactical and carrier air support.

"COMBAT SITUATION"

The "combat situation" of the exercise to date is this: Aggressor has deprived the Allied forces of the use of strategic bases in the Fairbanks-Anchorage area of Alaska and threatens territorial conquest of Canada and the United States.

Commanders directing the manoeuvre state that the general objectives of Exercise "Sweetbriar" are to develop doctrine, procedures, and technique for the employment of combined Canadian and United States armies and air forces operating in the Arctic. Service testing, under Arctic conditions in the field, of the latest developments in clothing, emergency food rations, vehicles, weapons, and other equipment and material, is also a major purpose of the exercise.

It is anticipated that from "Sweetbriar" may come new concepts in basic doctrine of both nations with regard to combined and joint operations in the sub-Arctic, and much additional data for current United States and Canadian military field manuals on Arctic operations.

Sub-zero temperatures, often ranging as low as 40 to 60 degrees below, are customary at this time of the year in the manoeuvre area. It is an area, however, in which calm conditions, with little wind and a deceptive, dry cold, prevail during the period January-February.

MR. MITCHELL'S LABOUR STATEMENT: The following is the partial text of the statement on labour conditions broadcast from Ottawa this week, by the Minister of Labour, Mr. Mitchell:

"... In view of the buoyancy and strength of domestic demand, the size and ever-increasing diversity of our industrial output, and the often expressed determination of our own, and other leading nations, to cooperate in restoring a balance in international trade, I am confident that our economy will continue to be maintained during the coming months at a high level of production and employment.

"In December last, the labour force of Canada was estimated to be 5,200,000 persons. This figure is the highest for the month of December in the history of Canada.

"Of this 5,200,000 there were 261,000 unemployed applicants registered in the National Employment Offices across Canada.

"Seventy-one, decimal one per cent of the total were either in receipt of unemployment insurance benefits or were persons whose claims were being processed.

"Not all actually were out of work. Quite a number had jobs but wanted to change--while there were others who had found jobs but had not informed their local offices.

"The increase in workers looking for jobs is due mainly to seasonal fluctuations of production in many Canadian industries.

"There is, for example, the falling off in employment in woods operations in Eastern Canada, where it is estimated that 35,000 fewer men are employed this season than last. This situation is largely due to a decline in the planned carry-over in pulp wood. The number in British Columbia is also down for the same reason...

"This adverse and abnormal weather in the West has interfered with construction work, and no improvement can be looked for until there is a climatic change for the better.

"In addition to the usual seasonal influences, and the special circumstances I have just mentioned, a considerable portion of current unemployment results from the continuing growth of the Canadian labour force.

"During the past year, the growth of the total labour force has amounted to 120,000, while the number actually at work has increased by close to 100,000.

"Reports reaching me indicate that plans are being completed for many projects consisting of industrial buildings, road construction, and municipal improvements which will be proceeded with in the early spring..."

NEW DEPARTMENT OF RESOURCES AND DEVELOPMENT

OUTLINE OF RESPONSIBILITIES. The new Department of Resources and Development combines federal Government responsibilities in the following fields. The Department announced today: forests, water resources not specifically assigned to any other Department, wildlife, the Northwest Territories and Yukon administrations, the National Parks and Historic Sites and Battlefields Commission, all federal Crown lands not dealt with by any other Branch of the Government, the tourist industry, housing, the planning and development of public projects and services, including the Trans-Canada Highway, the National Museum of Canada.

It is expected that the Head Office will be in the Langevin Block where the Minister, the Deputy Minister, the Director of Administration and a number of other officers will be located. The Hon. R.H. Winters is the Minister of the new Department. Deputy Minister, H.L. Keenleyside, formerly Deputy Minister of Mines and Resources, remains Commissioner of the Northwest Territories.

The Department is divided into five Branches, each under a Director. These are: Administration, C.W. Jackson; Development Services, R.A. Gibson; Public Projects, J.M. Wardle; Forestry, D.A. Macdonald; Canadian Government Travel Bureau, D.L. Dolan.

The Divisions which serve the Department as a whole, Administration, Economic, Legal, Personnel, Editorial and Information, and Purchasing are centralized in the Administration Branch. Chief Administrative Officer is R.K. Odell. Division heads are as follows: Economic, C.H. Herbert; Legal, W. Mason; Personnel, A.C. Wimberley; Editorial and Information, A.J. Baxter; Purchasing, to be appointed.

Departmental services which relate to the development of natural resources, other than forests, are combined in this Branch. Included are the Divisions of Water Resources, Wildlife, National Parks and Historic Sites and Battlefields Commission, Lands, and the National Museum of Canada. The Water Resources Division

is a continuation of the former Dominion Water and Power Bureau. Divisions, with Chiefs, are as follows: Water Resources, Norman Marr; Wildlife, Dr. H.F. Lewis; National Parks and Battlefields Comm., James Smart; Lands, G.E.B. Sinclair; National Museum of Canada, Dr. F.J. Alcock, Chief Curator; Administrative, A.C.L. Adams.

The Northwest Territories and Yukon Administrations and the Engineering and Construction Service also come under the direction of the Head of this Branch.

The Northwest Territories and Yukon Services are to be centralized under a Chief and will be known as the Northern Administrations. This officer has not yet been appointed. The other principal officers are: Yukon-Mackenzie River, C.K. LeCapelain; Arctic, J.G. Wright; Administrative, J.E. Doyle.

The principal officers of the Engineering and Construction Service, under the Chief, C.V.F. Weir, are as follows: National Parks Engineering, C.M. Maxwell; General Engineering, R.A. Campbell; Architectural, C.H. Buck; Administrative, R.D. McAuley.

In view of the importance of the Forest industry to the Canadian economy, and the increased demand on departmental services which are resulting from the passing of the Canada Forestry Act, the Dominion Forest Service becomes the Forestry Branch, under the direction of D.A. Macdonald, former Dominion Forester. The Branch is organized in three main Divisions, Forestry Research, Forest Products Research, Forestry Operations.

The Special Projects and Public Projects Divisions of the former Departments of Mines and Resources and Reconstruction and Supply, and the administration of the Trans-Canada Highway Act, have been joined in this Branch, and are under direction of the former Director of Special Projects of Mines and Resources, J.M. Wardle. The four main Divisions are: Trans-Canada Highway, Federal Projects, Joint Projects, and Capital Investment Registry.

MOTOR VEHICLES RECORD. Registration of motor vehicles in Canada in 1948 reached an all-time record total of 2,035,000, showing an increase of 199,000 or 11 per cent over the 1947 total of 1,836,000. There were increased registrations in all provinces and for all types of motor vehicles. Passenger cars numbered 1,496,800 compared with 1,370,200, commercial vehicles 504,200 compared with 439,700, and motor cycles 33,900 compared with 26,100.

Revenues from registrations, licences, etc., and the gasoline tax rose to \$175,619,000, or six per cent above 1947 receipts. Gasoline tax accounted for \$124,331,000 of this sum, or nearly four per cent more than in the previous year. Sales of gasoline on which tax was paid

amounted to nearly 1,231 million gallons against 1,121 million the year before.

Taking into account registrations of all types of vehicles, the number of motor vehicles in Canada averaged one per 6.4 persons in 1948 as compared with 6.9 in 1947. Including only passenger cars, there was an average of 8.8 persons compared with 9.2 in 1947, and 10.0 in 1946.

MR. GREGG HONORARY COLONEL: One of the Maritime's oldest infantry units, The West Nova Scotia Regiment has honored its one-time commanding officer, the Minister of Veterans Affairs, Mr. Gregg, by selecting him as Honorary Colonel of the regiment.

L.C. and were further discussed and clarified at a second meeting at Harwell, England, in September 1948, and a third meeting at Chalk River, Canada, in September 1949.

At the forthcoming meeting, the discussions which started at the Chalk River meeting, will continue. These discussions will take account of the announcement on September 23rd, 1949, of the atomic explosion in the USSR. Recommendations resulting from the discussions will be reported to the atomic energy agencies of the three Governments for review before any final revisions in the uniform declassification guides are made.

Representing the three nations at the declassification meeting will be:

CANADA: Dr. W.B. Lewis, Director of the Division of Atomic Energy Research, Chalk River.

Dr. L.G. Cook, Head, Chemistry Branch, Atomic Energy Project, Chalk River.

Mr. C.W.E. Walker, Atomic Energy Project, Chalk River, Secretary.

UNITED STATES: Dr. Warren C. Johnson, Chairman, Department of Chemistry, University of Chicago, and senior responsible reviewer, United States AEC declassification system.

Mr. Bennett Boskey, Deputy General Counsel, United States AEC, legal adviser.

Dr. Frederic De Koffmann, Assistant to the Assistant Director of the Los Alamos Scientific Laboratory and Secretary to the Committee of Senior Responsible Reviewers, United States AEC declassification system.

Dr. J.M.B. Kellogg, Division Leader, Los Alamos Scientific Laboratory, and senior responsible reviewer, United States AEC declassification system.

Dr. Willard F. Libby, Professor of Chemistry, Department of Chemistry, University of Chicago, and senior responsible reviewer, United States AEC declassification system.

Dr. Cyril Smith, Director, Institute of Metals,

University of Chicago, and member of General Advisory Committee to the United States AEC.

Dr. Robert L. Thomson, Professor of Physics, University of California, and senior responsible reviewer, United States AEC declassification system.

Dr. James G. Beckerley, Director of Classification, United States AEC, Secretary.

UNITED KINGDOM: Sir John D. Cockcroft, Director of Atomic Energy Research Establishment, United Kingdom.

Dr. H. J. Emeleus, Professor of Chemistry, Cambridge University.

Dr. D. Hanson, Professor of Metallurgy, University of Birmingham.

Dr. R.E. Peierls, Professor of Theoretical Physics, University of Birmingham.

Mr. M.W. Perrin, Deputy Controller of Production (Technical Policy) of Atomic Energy, United Kingdom.

Dr. J.H. Awbery, Principal Scientific Officer, Division of Atomic Energy, United Kingdom, Secretary.

Mr. J.F. Jackson, Senior Principal Scientific Officer, Division of Atomic Energy, United Kingdom, Secretary.

CONCERT FOR UNICEF: On Tuesday, January 24, the Toronto Symphony Orchestra, conducted by Sir Ernest MacMillan, devoted a special concert in Massey Hall, Toronto, to the United Nations International Children's Emergency Fund. The Globe and Mail, of Toronto, reported, in part, as follows:

"...It was appropriate enough at a concert dedicated to the world's homeless children, that the soloist should appear in pigtails. Elizabeth Auld played two movements of the Haydn piano concerto in D major. There are aspects of the Larghetto a bit beyond a thirteen-year-old, but she made tinkling mirth of the Finale...."



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WEEK'S EVENTS IN REVIEW

EXPULSION OF CANADIANS FROM CZECHOSLOVAKIA:

The following account of the incidents that took place in Prague on January 17 and 18, after which Sergeant Danko and Corporal Vanier were withdrawn from Czechoslovakia, is drawn from the reports of the Canadian Chargé d'Affaires, Mr. John A. Irwin, the Canadian Air Attaché, Group Captain R.A. Cameron, and the two men themselves.

On the afternoon of January 17, when Sergeant Danko left his apartment house with his wife, he saw at the street door three roughly-dressed and threatening-looking individuals who seemed to be taking considerable interest in him. He did not know who they were but feared some trouble for himself. When he returned home later in the afternoon he took the precaution of having with him Corporal Vanier and another member of the Legation staff. The three men he had seen before he now found inside the building in front of his apartment door. He asked them if they were police and what they were doing there. They replied that they were not police, and were waiting to see a lawyer who lived on the same floor. They asked for no identification and offered none; nor when asked would they identify themselves.

That evening at 8:30 Danko and Vanier were in the Danko apartment with Mrs. Danko and a party of four ladies. About 9 o'clock they

left the flat. Mr. Danko was left behind in the apartment. At the door of the apartment house one of a watching trio accosted the leading pair and spoke in Czech, apparently asking for identification cards. One of the men was ill-advised enough to lay a hand on a girl in the party. Vanier demanded to see the man's own identification papers and when he would not produce them but insisted on interfering, Vanier brushed him aside. This caused him to stumble and fall. Vanier pulled him up by the coat and warned him to make off, which he and his companions did. The latter did not offer to interfere in any way. The man's coat was torn, but so little disturbance was caused by his fall that Sergeant Danko, who was standing nearby, did not know of the fall until he was later told by Vanier.

On the following day, January 18, Sergeant Danko left the Canadian Legation at about 5:00 p.m. to go home. As he drove up in front of his apartment house a number of tough-looking individuals appeared, whereupon Danko prudently returned to the Legation. The Chargé d'Affaires, the Air Attaché and another officer of the Legation then accompanied Sergeant Danko to his apartment before which they found gathered on the street a small crowd of men, with whom was one uniformed policeman. They stopped and questioned the policeman and

U.S. EXERCISES IN CANADA: The United States Army Medical Department's second winter field exercise in Canada will be carried out this year during the month of February in the vicinity of Camp Shilo, Manitoba, the Defence Department announced on January 27.

A similar exercise was held last year in sub-zero temperatures in this area, where climate and terrain are specially suitable for the type of training involved and for the service testing of medical equipment.

Some 53 enlisted men with five officers, one warrant officer and three Army nurses will make up the United States exercise group this year. One RCAF medical officer, one non-medical Canadian Army officer and one nursing sister of the Royal Canadian Army Medical Corps will also participate.

The American party will reach Camp Shilo on February 1 in two groups from their headquarters at Percy Jones Military Hospital, Battle Creek, Mich., one group travelling by rail and the other by road convoy.

The exercise and trials are expected to last one month, with all parties returning to the United States on March 2.

EXERCISE "SWEETBRIAR": Brief statements on Exercise "Sweetbriar" were issued in the United States and Canada on January 27 by Hon. Louis Johnson, U.S. Secretary of Defence, and the Minister of National Defence, Mr. Claxton.

Mr. Johnson said: "Exercise Sweetbriar, held as it will be on both United States and Canadian soil and with more than 5,000 Army and Air Force troops of both countries participating, exemplifies the spirit of mutual defence set forth under the North Atlantic Treaty. It is the first joint manoeuvre and the largest ever held to test logistic facilities and to provide tactical training under mid-winter conditions in the sub-Arctic. It involves battalion combat teams and both tactical and carrier air support. I have every reason to feel that Exercise Sweetbriar will be a success when Armed Forces of the United States and Canada plan together, work together, and take part in joint manoeuvres. They bring all of us in both countries more closely together. Out of that association, I am sure, will come not only a better joint defence but a deeper appreciation for each other."

Mr. Claxton said: "Exercise Sweetbriar will take place on both American and Canadian soil in continuation of the policy of cooperation in military matters existing between our two countries as one of the regional groups under the North Atlantic Treaty. An important part of the training has already been carried out by the Canadians at Wainwright in Northeastern Alberta, and in the movement more than a thousand miles by motor vehicle from there beyond Whitehorse. Senior United States and Canadian officers will command troops of both countries and it is expected that valuable

lessons will be learned in joint techniques of command and cooperation. Exercise Sweetbriar is an exercise in working together and in long distance movements in extreme weather conditions."

SUPPORT FOR EGG PRICES: The Minister of Agriculture, Mr. Gardiner, announced on January 26 that the Government, through the Agricultural Prices Support Board, will take action to stabilize the egg market by supporting a shortage program for 1950.

Under the plan, the Agricultural Prices Support Board is committed to buy, at the termination of the storage period, late in 1950, all eggs then unsold which had been stored according to Board specifications, during the period January to early June of this year.

The Board will pay, at all storage points in Canada, 38 cents per dozen for eggs stored as Grade A Large and 36 cents per dozen for eggs stored as Grade A Medium, plus a stipulated allowance to cover costs.

It is anticipated this action will provide a floor price to producers, at egg stations, of approximately 30 to 32 cents per dozen, basis Grade A Large, depending on shipping costs from station to storage.

In making the announcement Mr. Gardiner pointed out that this action was taken to assist the poultry industry in the adjustment to conditions created by discontinuance of British egg buying in Canada.

Under this program the Government will not participate directly in the egg business. The storing and merchandising of eggs will remain in the hands of the industry. The Government offer to buy any otherwise unsaleable eggs at the end of the storage season will, however, provide the same stabilizing influence as operated under British contracts when the Government contracted to buy eggs out of storage in the fall months for delivery to Britain.

Egg prices, he said, have been seriously depressed since buying for British account ceased on December 17. Without some measure of support through Government action this depressed condition would continue through the surplus producing period of the first half of the year. This could lead to an extreme liquidation of laying flocks, followed by a shortage of eggs and a prolonged period of high prices.

WEARING OF "CANADA" BADGES: Naval Headquarters announced on January 26 that "Canada" badges would be worn by officers and men of the Royal Canadian Navy.

Under the new regulations, "Canada" badges will be worn on all uniforms, including great-coats. They will be worn on both sleeves, the top of the letters being a half inch below the shoulder seam.

As soon as supplies are available in service clothing stores gratuitous issues of the new badges will be made to cadets and men. Officers will purchase necessary supplies from the same source.

Priority in the issue of "Canada" badges will be given to the officers and men of ships proceeding to foreign waters.

AIR TRAVEL BETWEEN CANADA AND U.S.: Air travel between the United States and Canada showed a marked gain in 1949, according to figures covering the first 10 months of the year released by the Bureau of Statistics. At the same time, fewer United States visitors entered Canada by rail, bus, and boat, but increased numbers of Canadians returning to this country used these services.

During the period, 119,288 travellers from the United States used air services as compared with 100,774 in the similar period of 1948, an increase of 18.3 per cent. Canadians returning from the United States by plane numbered 78,988, as compared with 60,496 in 1948, an increase of 30.5 per cent.

In the first 10 months of 1949, 481,596 travellers from the United States entered Canada by rail as compared with 512,866 in the previous year, 397,318 by bus as compared with 456,208, and 295,253 by boat compared with 328,171. Canadians returning from the United States by rail numbered 460,649 compared with 406,652, by bus 498,101 compared with 378,008, and by boat 99,953 compared with 91,622.

REVIEW OF FOREIGN TRADE: Some of the principal developments in the volume and value of Canada's foreign trade in the first six months of 1949 are reviewed in a 79-page bulletin released today by the Bureau of Statistics. Divided into six chapters, the bulletin contains textual matter as well as supporting tables.

Chapter I is devoted to a broad discussion of trends in imports, exports, and trade balances, while chapter II reviews Canada's foreign trade with leading countries. Chapter III deals with trade with significant regions and groups of countries. Leading commodities in foreign trade are discussed in chapter IV, and chapter V deals with price and volume movements.

Among the subjects dealt with in chapter VI are the methods of collecting trade statistics, non-commercial items in Canadian trade, gold in Canadian trade, and Newfoundland in Canadian trade statistics.

WHOLESALE PRICES LOWER: Wholesale prices showed a slight decline in December, according to the general index number compiled by the Bureau of Statistics. The December index, on the base 1926=100, stood at 156.8, down 0.2

points from the November figure of 157.0, and 2.8 points below the high figure of 159.6 reached in December, 1948.

CARLOADINGS: Carloadings on Canadian railways during the week ended January 21 continued to be affected by unusual weather conditions, particularly in the western division where embargoes on perishables and automobiles were advised. Loadings for all Canada, including Newfoundland, were 64,127 cars, down 11.2 per cent or 8,085 cars from the 72,212 cars reported for the third week of last year.

STORE SALES AT NEW PEAK: Swelled by heavy Christmas buying, department store sales reached a new monthly peak value of \$114,467,000 in December, showing a gain of 4.5 per cent over the December 1948 total of \$109,540,000. Despite the large dollar volume of sales in the month, the advance fell short of the overall rise for the year when cumulative sales moved up seven per cent to \$856,441,000 from \$803,092,000 in 1948.

Most departments registered moderately increased sales in December and the year, the principal exception being food departments. December sales were higher in all provinces except Quebec, while advances were Canada-wide in the year. In December British Columbia and Manitoba had the largest percentage sales advance. In the 12 months, Alberta, the Maritimes, and Manitoba were the leaders.

RAIL REVENUES AND EXPENSES: The principal Canadian railways reported operating revenues of \$80,570,000 for October, a decline of 2.7 per cent from the record for the month established in 1948. Operating expenses were reduced \$605,000 or less than one per cent from \$69,655,000 to \$69,050,000, and the operating income for the month stood at \$8,775,000 against \$9,864,000.

1949 RECORD AUTO PRODUCTION: Canadian manufacturers of motor vehicles established a new record in 1949, when they shipped out a larger total of units -- new passenger cars, trucks and other commercial vehicles -- than in any previous year.

Total shipments for 1949 aggregated 290,634 units as compared with 264,178 in 1948, an increase of 10 per cent. Previous high mark was 270,191 units in 1941, largely commercial vehicles for war use, while the fourth highest year's output was 262,625 units in 1929.

Last year's increase over 1948 was due to larger shipments of passenger cars, which advanced to 192,458 units from 166,935 the previous year. Total number of trucks increased slightly to 97,680 units from 96,388.

NEW PEAK IN EXPORTS TO UNITED STATES

BUT OVERALL TOTAL DOWN: Canadian domestic exports to the United States reached a new all-time peak value in 1949 as the result of a gain of \$12,000,000 in December, which raised the year's total narrowly above the previous record value of 1948, but total domestic exports to all countries were down nearly three per cent in the year from the record peacetime total value of 1948.

Total value of domestic exports to the United States last year was \$1,503,459,000 as compared with \$1,500,987,000 in 1948, making up 50.2 per cent of the total value of exports to all countries as against 48.8 per cent in 1948. Shipments across the border in December were valued at \$159,766,000 as against \$147,832,000 a year earlier, the gain -- the greatest for any month in 1949 -- following upon a similar rise of \$8,000,000 in November. Gains were recorded also in each month from January to June and in August, but the cumulative increase of approximately \$32,000,000 at the end of August was heavily outweighed by a drop of \$50,000,000 in September. This loss was offset by the buoyant movement of goods in the last two months of the year.

TOTAL EXPORTS TO ALL COUNTRIES

Total exports to all countries during 1949 were just under the \$3,000,000,000 mark, which was passed in 1948 for the first time in a peacetime year, being valued at \$2,993,000,000 as compared with \$3,075,400,000 the previous year and \$2,744,900,000 in 1947. The decline in the total was due mainly to a sharp reduction in the aggregate value of exports to European countries, the totals for other foreign geographical groups, and for Commonwealth countries as a whole (Newfoundland excluded) being higher although lower for most individual Commonwealth countries.

Various external influences affected Canadian exports during 1949. Due to general dollar shortages, overseas countries as a whole reduced the volume of their purchases in Canada throughout the year. Other reductions in volume occurred in exports to the United States as business readjustments in that country in the early part of the year curtailed demand. A revival of demand in the United States in the latter months of the year, however, made for some recovery in the volume.

LANDINGS OF SEA FISH: Landings and landed value of sea fish in Canada--excluding Newfoundland--were lower in 1949 than in the preceding year. The year's catch amounted to 1,176,767,000 pounds as compared with 1,277,350,000 in 1948, a decline of 7.6 per cent, while the value was \$53,660,000 compared with \$60,035,000, a decrease of 10.6 per cent.

In the same period the Canadian dollar was devalued, contributing further to a higher Canadian dollar value of exports to the United States in particular.

The volume of Canadian exports in the first half of 1949 was 5.9 per cent less than in the same period of 1948 and some 17 per cent less than in the second half of that year. In the second half of 1949 the volume rose appreciably but still was less than in the corresponding period of 1948.

Trends in export prices in 1949 were varied. In the first half of the year, taken as a whole, average export prices were eight per cent higher than in the first half of 1948 and slightly higher than in the second half of that year. But average export prices during the year to September were declining from the high level at the opening of 1949. However, the effect of the currency devaluations in September was to raise the Canadian dollar value of a large group of exports by an equivalent amount. Consequently, average export prices in terms of Canadian dollars recovered from part of the decline which had occurred in the first three quarters of the year.

In December, total exports to all countries declined in value to \$285,500,000 from \$316,400,000 a year earlier, accounting for more than a third of the year's decrease. Shipments were lower in the month to most geographical groups and principal countries, except the United States and United Kingdom.

DOMESTIC EXPORTS TO U.K.

Domestic exports to the United Kingdom in 1949 totalled \$704,956,000, up from \$686,914,000 in 1948 but below the 1947 total of \$751,200,000. In December the value of shipments was \$49,884,000 as compared with \$48,515,000 in December, 1948.

Aggregate domestic exports to other Commonwealth countries for the 12 months were moderately higher in value at \$300,815,000 as against \$290,431,000 in 1948, but were down in December to \$25,816,000 as against \$40,906,000 a year earlier -- excluding figures for Newfoundland from the comparisons for both periods. These totals were maintained, however, by some exceptional items of trade like wheat and railway equipment to India and the Union of South Africa.

DECLINE IN EMPLOYMENT: Employment in the principal industrial divisions showed a further small decline at December 1, according to preliminary tabulations of monthly data by the Bureau of Statistics. The advance index number, on the base 1926=100, was 201.5 as compared with 202.0 at November 1, and 204.3 at December 1, 1948.

THE CURRENT MANPOWER PICTURE

323,000 LOOKING FOR JOBS: The Minister of Labour, on January 28 issued the following statement on the employment situation:

A total of 323,000 persons were reported as looking for jobs through National Employment Service offices on January 12. The recent increase, which is for the most part a seasonal one, brings the total number of persons looking for work to some six per cent of the labour force.

This by no means indicates a general decline in the Canadian economy. Rather the increase in unemployment arises essentially from a number of special factors. Among these are the decline of woods employment, the re-appearance of sharper seasonal patterns of employment, and the abnormal weather conditions in some sections of the country. An additional factor has been the reduction in some of the unusually favourable market outlets which have existed during recent years. This reduction is due to readjustments of export trade and the disappearance of some domestic backlogs of demand.

HIGHER THAN LAST YEAR

Although unemployment this winter is higher than last year, a greater proportion of job seekers is covered by unemployment insurance than in recent years. Experience indicates that four out of every five workers who apply for benefits actually receive them. At the beginning of January, some 80 per cent of the registered job seekers were either claiming or receiving unemployment insurance benefits. Benefit payments amounted to over \$7 million in December and totalled almost \$70 million during all of 1949. To an increasing extent, unemployment insurance benefits and other social security measures are easing some of the burdens which temporary unemployment creates for individual workers.

The usual rapid increase in the number of those looking for work early in January is due in a large part to the situation in the logging industry. As cutting is completed, em-

ployment in the woods in eastern Canada begins to decline. Hauling the logs to the river banks in preparation for the spring drive requires much less manpower than cutting. This year, not only has the cutting season been shorter than usual, but also the lack of snow in many districts has delayed hauling. This has added to the troubles of many centres in lumber districts where unemployment is already heavy because of the generally lower level of cutting operations.

On the west coast, it is usual for logging to continue throughout the winter months. This year, however, violent storms have closed many of the camps. As a result, unemployed logging and sawmill workers have drifted into Vancouver, to swell the number of job seekers in that city.

DEMAND NOT VERY ACTIVE

In many sections of Canada, casual workers, not finding their usual winter work in logging, have come into the larger cities in search of jobs. These have not been easy to find. Although employment generally remains high, labour demand is not very active. Employers, with staffs more or less adequate to meet their production schedules, can afford to be selective in their hiring. Most job openings at the moment, therefore, are for skilled workers rather than for casual labour of the type employed in seasonal industries.

In other industries, the need for capacity production throughout the whole year has lessened as backlogs of demand have been filled. Thus, more seasonal layoffs are occurring. In addition, other workers have been laid off as the labour force shifted from industries where markets were softening to those where employment was expanding. Employment has declined in industries such as meat-packing, fur, lumber, non-ferrous metals, and certain sections of the iron and steel industry. These declines have been offset by gains in other industries, especially those producing consumer durable goods.

MR. ILSLEY CHIEF JUSTICE OF NOVA SCOTIA: The Prime Minister, Mr. St. Laurent announced on January 26 that the following appointments had been approved:

J. J. Bowlen, Esq., of Calgary, as Lieutenant-Governor of Alberta, effective February 1;

Vincent P. Burke, Esq., O.B.E., of St. John's, Newfoundland, to the Senate;

Rt. Hon. J.L. Ilsley as Chief Justice of Nova Scotia;

Mr. Justice George B. O'Connor of the Appellate Division of the Supreme Court of Alberta as Chief Justice of Alberta;

Mr. Justice C.J. Ford of the Trial Division of the Supreme Court of Alberta as a Judge of

the Appellate Division;

W.G. Egbert, Esq., K.C. of Calgary as a Judge of the Trial Division of the Supreme Court of Alberta;

Alexander Bernier, Esq., K.C. of Winnipeg as a Judge of the County Courts, Central Division, Eastern Judicial District of Manitoba in place of Judge Joseph L.P. Roy, who has retired;

Reginald D. Keirstead, Esq., of Saint John, N.B. as a Judge of the County Court for the County of Saint John, New Brunswick;

Dr. André Simard of the city of Quebec as a Commissioner of the National Battlefields Commission.

"SUN DOGGERS" HEAD NORTH: Almost 200 soldiers who will participate in Exercise "Sun Dog" in the Fort Churchill, Man. area in February and March will put in two extra weeks in the sub-arctic because it has been "too warm" to train for the manoeuvres farther south.

Officers at Petawawa military camp where the force was concentrated said that the group left for Fort Churchill two weeks earlier than scheduled so that the men could become used to cold weather before shoving off from Churchill for a month of living in tents in the Barren Grounds.

Continuing spells of mild weather and heavy rains made Petawawa anything but an arctic testing ground through January.

Exercise "Sun Dog" will continue the Canadian Army's close study of the effects of Arctic conditions on men and equipment. From February 15 until March 15 some 250 soldiers, most of them from the Royal Canadian Regiment, will carry out a series of tactical movements and patrols over a pre-arranged 250-mile route in the Churchill area.

1,626 FOREIGN DECORATIONS: Twelve foreign Governments have awarded a total of 1,626 decorations and awards to Canadian Army personnel up to and including March 31, 1949.

Bulk of the awards came from Belgium, France, the Netherlands and the United States.

A breakdown of the total shows that awards made by Belgium were 397; China, 6; Czechoslovakia, 41; Denmark, 3; France, 362; Greece, 23; Luxembourg, 19; Netherlands, 516; Norway, 5; Poland, 6; Tunisia, 1; United States, 247.

The awards were made in recognition of Canadian gallantry, valour and aid during the Second World War.

CARIBBEAN TRAINING CRUISE: Two ships of the Royal Canadian Navy, the aircraft carrier "Magnificent" and destroyer "Micmac", will sail from Halifax February 13 on a two-month training cruise to the Caribbean, Naval Headquarters announced on January 31.

Embarked in the "Magnificent" will be aircraft and personnel of the 18th Carrier Air Group, made up of 825 and 826 Squadrons of the R.C.N. Exercises involving the Group's Firefly aircraft will be carried out throughout the cruise.

The frigate "Swansea" will accompany "Magnificent" and "Micmac" on the first leg of the cruise but will part company to proceed independently to Nassau, Bahama. After a six-day visit there, February 18 to 24, she will return directly to Halifax, arriving March 1.

The "Magnificent" and "Micmac" are scheduled to make stops at Charleston, S.C., Guantanamo and Havana, Cuba, and New York City.

The training cruise, an annual undertaking of the R.C.N., is designed to give officers and men practice in ship-board evolutions and

fleet manoeuvres, including air strikes and surface actions. During the latter part of March, combined exercises will be carried out in the Caribbean with units of the America and West Indies Squadron of the Royal Navy.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on January 19 amounted to 160,347,000 bushels as compared with 163,156,000 a week earlier, and 165,268,000 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week totalled 1,750,000 bushels compared with 3,646,000 a year ago, bringing the cumulative total for the crop year to date to 242,910,000 bushels as compared with 240,977,000 in the same period of the preceding crop year.

RECORD HIGH IN CHEQUES CASHED: Financial transactions in the form of cheques cashed at the banks rose to an all-time record total of \$87,554,363,000 in 1949, showing an increase of 8.5 per cent over the preceding year's total of \$80,687,448,000. In December, the country-wide total was \$8,395,808,000 as compared with \$7,800,091,000 in the corresponding month of 1948, a gain of 7.6 per cent.

A new maximum was reached in 1949 in each of the five economic areas. The year's gain in the Prairie Provinces was 13 per cent, while transactions in Ontario and British Columbia showed increases of 9.2 per cent and 7.1 per cent, respectively. The aggregate for Quebec was up 4.4 per cent. The relative gain in 1949 was technically greater in the Maritimes than in any other economic area, the debits for St. John's Newfoundland not being available for the preceding year.

SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries in November declined from October totals, sales amounting to \$23,000,000 and purchases \$19,800,000, resulting in an excess of sales over purchases of \$3,200,000 as compared with \$3,800,000 in the preceding month.

As a result of transactions in November, a cumulative sales balance of \$2,000,000 replaced the cumulative purchase balance in October. This contrasts with cumulative net purchases of \$17,100,000 and \$13,900,000 respectively, that arose out of a smaller volume of trade for corresponding periods in 1948 and 1947.

Total transactions with the United States in November showed little change from the previous month. Sales again reached the October level of \$22,100,000, while purchases increased slightly to \$17,000,000 as against \$16,600,000. A sales balance, amounting to \$5,100,000, was thus produced in November for the second successive month.

DEVELOPMENT OF SERVO-MECHANISMS

DR. SOLANDT'S ADDRESS: In an address to the Association of Professional Engineers of Ontario, in Toronto, on January 28, Dr. O.M. Solandt, Chairman, Defence Research Board, discussed, among other matters, the developments in electronics which have made possible the elimination of the human operator in many simple situations. He said that the greatest impetus for the development of complex servo-mechanisms to replace human operators would come from the services, and proceeded in part as follows:

"... Servo-mechanisms that are designed to perform complex functions are, in general, very like men. They must have sense organs or receivers to collect data, nerves to transmit this data to the brain, a brain to assess the significance of the incoming information, choose the right course of action and send out impulses to muscles or servo motors that accomplish the desired result. Recent advances in science have made possible great improvements in every element of such systems and thus opened up a field of infinite possibilities for creative engineering....

SEE OBJECTS BY TELEVISION

"Consider first the data receivers or sense organs of such a servo-mechanism. They can be made to see objects by television, or by radar or infra-red rays; they can be made very sensitive to small changes in light or sound or pressure or indeed to any change in their physical environment. The only human sense that cannot be duplicated fairly well is smell. Even there some facetious optimists speak of the development of telesmell as a substitute for radar. It could detect airplanes around corners.

"Once the information is collected, it can be transmitted electrically to any required distance. Great progress has been made in converting all forms of information into electrical impulses of a readily transmittable kind and then reconverting the information at the other end. A simple example of this is the linking of two dial indicators by radio so that one will instantly follow changes in the other.

"The central brain of such a system now offers the greatest possibilities for experimentation. Calculating machines are being made that will do many things that only a good human brain could do and the machine will do them many times faster. This means that it is possible to build into the central control of a servo-mechanism almost any desired characteristics.

"The effector mechanisms or muscles of the system have also been greatly improved. Electronic control systems make possible very rapid and accurate control of large forces thus giving the mechanical man a strong back as well

as an almost infallible, though stereotyped mind.

"Lest you feel that what I have said is vague and visionary, I might remind you of the systems of anti-aircraft fire control that were actually used at the end of the war. A radar set automatically scanned the sky. When it saw an aircraft, it locked onto the aircraft and followed it. As it followed, it reported range, elevation and azimuth readings continuously to an electrical predictor or computer, which acted as the brain of the mechanism. After considering the data received, it predicted the future position of the target, applied suitable corrections for meteorological conditions and the ballistics of the shell being fired and then sent signals to hydraulic or electric motors that continuously aimed the guns in the best direction for a hit. If the shell had a mechanical fuze, the predictor put the correct fuze time on the fuze setter. In most cases a radio proximity fuze was used so that no fuze setting was required. Thus the whole operation of an eight gun heavy A.A. site could be made fully automatic....

GUIDED MISSILES

"During the next ten years the same techniques will be vastly improved and refined. One obvious application where a great deal of work is going on at present is in guided missiles. It now seems fairly certain that the first technically successful long range guided missile will be nothing more than an airplane in which every member of the crew will be replaced by a servo-mechanism which will do his job. This not only makes the plane expendable, but also makes it much simpler and smaller and hence faster or of longer range by eliminating the need for pressure cabins, oxygen supply, cabin heating, feeding arrangements and all the other complications that are required by a human crew. This pilotless aircraft will gradually fly higher and faster and will ultimately lose its wings and evolve into the inter-continental rocket of contemporary fiction....

"This tendency to replace men with machines which has already begun will spread rapidly through all the Services. All major armament will soon be fully controlled by automatic mechanisms. Navigation both in the air and on the sea will require little human intervention. The guided missiles of the future will be launched and controlled by machines. The same sort of techniques will be used for collecting, displaying, analysing and transmitting the vast mass of information that is needed for the effective conduct of a battle whether on land, or sea or in the air. All these things are possible through the use of existing knowledge...."

(Continued from P. 1)

learned that there was some question of Vanier having torn the coat of one of the men during the incident of the previous evening.

The Canadian party then withdrew again taking Danko with them. Later in the evening at about 10:30 p.m. the Air Attaché returned to the Danko apartment bringing Danko and Vanier with him. There was at that time one uniformed policeman on the street but no one else in evidence.

A little later when the Air Attaché descended from seeing Danko to his apartment on the fifth floor, he found a number of watchers, perhaps ten in all, tucked into various corners of the corridors. He then went to a nearby police station where he complained about this apparently hostile body of unidentified persons and asked for some police protection for Danko. The attitude of the police was uncooperative but they finally assured the Air Attaché that some one would be immediately instructed to look into the matter.

However, by the next day, January 19, the number of un-uniformed watchers in Danko's apartment building had considerably increased.

Neither from their dress, words or actions did the individuals involved in these incidents appear to have any official authority. At no time was there any use or display of firearms. Neither of the Canadians ever carried arms.

During the forenoon of January 19 the Czechoslovak Ministry of Foreign Affairs delivered to the Canadian Legation a note demanding that Danko and Vanier leave Czechoslovakia within 12 hours, on the ground that their behaviour represented an "abuse of hospitality".

So far as the Canadian staff in Prague is concerned, this incident was the climax of a series of steps taken by the Czech Government during the past few weeks. They were all aimed, without any well-founded reason at embarrassing the normal routine and work of the Canadian Legation.

Last October, of two locally employed members of the Canadian Legation, themselves Czechs, one was suddenly arrested, the other denied permission to continue working with the Legation, both without good cause given.

Early in January Sergeant Danko was accused without a shadow of evidence of organizing espionage and of paying "considerable sums" for information. As was announced earlier, he was declared persona non grata and requested to leave Czechoslovakia "within a reasonable time".

This was followed by the incidents involving Sergeant Danko and Corporal Vanier re-

counted above. After reading the reports of the Canadian officials in Prague and hearing the account given by the two Canadian N.C.O.'s, the Canadian Government is convinced that the charges are false and that the interference with Danko and Vanier was deliberate.

On January 23 the Czech Chargé d'Affaires in Ottawa was asked to call at the Department of External Affairs. Mr. Klima was then informed by the Under-Secretary that this interference with the Canadian staff in Prague was wholly unwarranted. He was requested to ascertain from his Government if it was their intention deliberately to embarrass the work of the Canadian Legation in Prague. No reply has been received to this inquiry.

In the circumstances, the Government approved yesterday the immediate despatch to the Czechoslovakian Chargé d'Affaires in Ottawa of a note requiring that two members of the staff of the Legation leave Canada within seven days from the delivery of the note.

The two employees in question are Hugo Bohounek, clerk to the Commercial Attaché, and Richard Bergmann, bookkeeper.

INTERIM COMMITTEE OF UN: The Interim Committee of the General Assembly of the United Nations will hold its second meeting in the New Year on February 7, the first meeting having been held on January 16. The Canadian Delegation is composed as follows:-

Representatives: The Secretary of State for External Affairs, Mr. Pearson.

Alternates: Mr. L. Mayrand, Assistant Under-Secretary of State for External Affairs; Mr. J.W. Holmes, Head of United Nations Division, Department of External Affairs; Mr. R.G. Riddell, Department of External Affairs; Mr. A.C. Smith, Principal Adviser, The Permanent Delegation of Canada to the United Nations.

Adviser: Mr. H.H. Carter, Adviser, The Permanent Delegation of Canada to the United Nations.

Due to his absence from the continent, it is unlikely that Mr. Pearson will be able to attend the Committee.

The Under-Secretary of State for External Affairs, Mr. Heeney, stated at a press conference on January 19 that one of the subjects to come up for discussion would be the matter of Soviet threats to the political independence and territorial integrity of China and to the peace of the Far East, an item put on the General Assembly's agenda by China and subsequently referred to the Interim Committee.



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WEEK'S EVENTS IN REVIEW

RELAXATION OF IMPORT CONTROLS: Mr. Abbott, the Minister of Finance, on February 8 announced a programme of further relaxations of the import controls under the Emergency Exchange Conservation Act in two stages effective April 1 and July 1 respectively.

The changes effective April 1, 1950 are as follows:

1. All emergency exchange import restrictions will be withdrawn on printed labels of all kinds (Tariff Item 179); on all plumbing and bathroom fixtures covered by Tariff Item 433; on all cocoa products covered by Tariff Items 20, 20a, 21 and 22; and on all coffee products covered by Tariff Items 25a, 26, 27 and 29.

2. The following items now on the prohibited list, will be transferred to Category 4 of the quota list; glass ovenware and other heat resistant glassware (Tariff Item 326g), and electric light bulbs (Tariff Item 445b).

3. The import quotas for Category 2 (textiles) will be increased by 10 per cent, that is from the present 40 per cent rate to a 44 per cent rate.

4. Switzerland, the only European country on the list of scheduled countries, is being transferred to the non-scheduled list. This means that all imports of quota goods from Switzerland will be admitted under open general permit as from April 1, 1950.

5. The following items, now on the prohibited list, may be imported from non-scheduled countries under open general permit and from scheduled countries may be imported against existing Category 4 quotas: all paper products at present on the prohibited list under Tariff Items 181, 192, 193, 194, 197, 198, 199, 312, 509 and 711; genuine or imitation pearls (Tariff Item 648); and mineral wool (Tariff Item 689a).

The additional changes effective July 1, 1950, are:

1. Refrigerators, washing machines, radio receiving sets, gramophones, outboard motors, small boats (not designed for use with inboard motive power); show cases, pianos and organs will be taken off the prohibited list and included in Category 4 of the quota list. The quota percentage for Category 4 is 50 per cent of the 1946-47 imports.

2. All canned and frozen vegetables, soup preparations, dried fruits and fruit pulps, now on the prohibited list, will be transferred to Category 5 of the quota list. The quota percentage for Category 5 is 44 per cent of the 1946-47 imports.

3. The following items, now on the prohibited list, will be permitted entry from non-scheduled countries under open General permit and from scheduled countries against existing Category 4 quotas; electric dish-

362,451 IMMIGRANTS SINCE 1945

MINISTER'S STATEMENT: A total of 362,451 immigrants had entered Canada by the end of 1949 since the cessation of hostilities in Europe in 1945, it was announced on February 2 by the Minister of Citizenship and Immigration Mr. Harris.

This figure was made up of 160,848 from the United Kingdom, 38,828 from the United States, 45,720 members of northern European races, and 117,055 from other races. Of the total, 92,533 were Displaced Persons. More than 41,000 of these were brought to this country in group movements and have found places in Canada's expanding industry. Nearly 50,000 Displaced Persons joined relatives residing in Canada, and some 1,000 were orphan children who have been placed in homes in all parts of the country.

Immigrants to Canada during the calendar year 1949 totalled 95,217, a drop of 24.1 per cent from the total of 125,414 arrivals in 1948. Immigration from the United Kingdom declined 51.8 per cent, comparative totals for 1949 and 1948 being 22,201 and 46,057, respectively.

An increase of 4.9 per cent in immigrants from the United States was noted, 7,744 entering Canada during 1949, compared to 7,381 during the previous year.

Immigrants from northern European races numbered 17,439, a 2.8 increase over the 1948 total of 16,957. Approximately 7,000 members of Dutch farm families came to Canada during

1949, increasing to 17,000 the number of Netherlands agriculturists who have been brought to this country since April 1947, through the Canada-Netherlands Farm Settlement Plan. These Dutch immigrants work for Canadian farmers until they can acquire land of their own, and many have already become established on their own farms.

Little change was indicated in the movement of citizens of France to Canada, the 1949 total of 1,021 being only slightly lower than the figure of 1,074 for 1948.

A decrease of 13.1 per cent in immigration of other races was recorded, the 1949 total being 47,833, against 55,019 in 1948. Italian immigrants numbered 7,742, an increase of 4,540 over the 3,302 arrivals in 1948. There were 12,233 Polish immigrants in 1949, only 1,566 fewer than during the previous year.

The destination by provinces of the 1949 arrivals was as follows: Ontario, 48,607; Quebec, 18,005; Alberta, 8,519; British Columbia, 7,847; Manitoba, 5,721; Saskatchewan, 3,664; Nova Scotia, 1,626; New Brunswick, 782; Prince Edward Island, 240; Newfoundland, 129; Yukon and Northwest Territories, 50.

The Minister stated that emigration from the United Kingdom and Western Europe had been made increasingly difficult by currency devaluation and exchange control measures, and that at present it was practically impossible for members of many other races in Europe to leave their countries.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION: Details of the organization of the new Department established to administer federal responsibilities in connection with Citizenship, Immigration, and Indian Affairs were announced on February 1 by the Minister of Citizenship and Immigration, Mr. Harris.

The Department of Citizenship and Immigration includes the Canadian Citizenship Branch and the Canadian Citizenship Registration Branch, formerly with the Department of Secretary of State, the Immigration and Indian Affairs Branches of the former Department of Mines and Resources, and a newly organized Administration Branch.

The Departmental organization is as follows: Minister: Hon. W.E. Harris; Deputy Minister: Laval Fortier.

Canadian Citizenship Branch: Director, Frank Foulds; Assistant Director, Dr. Louis Charbonneau. This Branch assists Provincial Departments of Education and national organizations and societies in the development of programs designed to help immigrants adjust themselves to the Canadian way of life. It also assists in the integration of the various ethnic groups which make up Canada's population.

Canadian Citizenship Registration Branch:

Régistrar, J.E. Duggan; Assistant Registrar, Paul Deziel. This Branch administers the Canadian Citizenship Act, deals with applications from aliens wishing to become Canadian citizens, and issues certificates in proof of their status to Canadian citizens.

Immigration Branch: Director, A.L. Joffliffe; Commissioner, C.E.S. Smith. The Immigration Branch comprises the Canadian service, which includes five Immigration Districts and 293 ports of entry in Canada: the Overseas Service, which includes immigration offices in the United Kingdom, Continental Europe, and elsewhere; and the Settlement Service, whose members stationed in Canada and Europe provide up-to-date information and individual guidance to prospective immigrants.

Indian Affairs Branch: Director, D.M. MacKay. The Indian Affairs Branch administers the affairs of the 130,000 Indians in Canada. The Branch has five divisions - Administrative, Agencies, Education, Reserves and Trusts, and Welfare.

Administration Branch: Director, to be appointed. This branch will provide central services for the entire Department through five sections - Administration, Legal, Personnel, Purchasing, and Editorial and Information.

WAR MEMORIALS: Proposals for the commemoration of those members of His Majesty's Forces who fell in the Second World War with no known grave have been announced by the Imperial War Graves Commission after consultation with the Governments of the British Commonwealth.

Two of the proposed memorials, the announcement said, will be built in Canada, but no indication was given as to where they might be built or the form they will take. One will commemorate those members of the Royal Canadian Navy lost in action at sea, and the other those members of the Air Forces lost on active operations or during training in Canada and the United States of America.

The chief Naval Memorials, the Commission said, will be in the United Kingdom, linked with the memorials of the 1914/1918 War at Chatham, Plymouth and Portsmouth, and there will be three smaller memorials at Lee-on-Solent, Liverpool and Lowestoft in addition to the one in Canada and one in New Zealand.

The commemoration of the Armies will be by Campaigns, and most of the memorials will be in war cemeteries. In Europe, the sites chosen are Trondheim in Norway, Dunkirk and Bayeux in France, Nijmegen in Holland, Cassino in Italy, and Athens in Greece. Canadian soldiers are buried in both the Bayeux and Nijmegen cemeteries. The principal memorial in Africa will be at El Alamein. Others will be at Medjez-al-Bab, Hargeisa, Port Sudan, Mombasa and Diego Suarez. In Asia there will be memorials at two cemeteries in Iraq and Persia, at Beirut, at Singapore and at Saiwan Bay, Hong Kong. Canadian soldiers are also buried at Hong Kong.

The largest memorial to the Air Forces will be at Cooper's Hill, overlooking Runnymede, bearing the names of all those lost during operations from bases in the United Kingdom and Northwest Europe. Others will be in Malta, El Alamein and Singapore, as well as in Canada.

In the South and Southwest Pacific eight memorials will commemorate together those of the Land and Air Forces and Merchant Navies of Australia and New Zealand.

The form and site of the main memorial to the Merchant Navies remain to be settled, the Commission said.

CARLOADINGS: Revenue cars of freight loaded in Canada during the week ended January 28 totalled 64,033 compared with a revised 64,069 cars in the previous week and 72,216 cars in the same week of 1949. Track blockages and storms in the far west prolonged the disruption of traffic while the scarcity of snow delayed lumbering operations in the eastern forests. The resulting decline from last year was 8,183 cars or 11.3 per cent despite the inclusion of Newfoundland loadings in the current statistics. Recession was indicated in both eastern and western divisions, the east loading 45,880 cars against 47,897 and the west 18,153 cars compared with 24,319 cars.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on January 26 amounted to 157,922,000 bushels as compared with 160,346,800 a week earlier, and 161,472,600 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week totalled 1,352,000 bushels compared with 1,116,000 a year ago, bringing the cumulative total for the crop year to date to 244,261,900 bushels as against 242,092,900 in the same period of the preceding crop year.

Overseas export clearances of wheat during the week ending January 26 amounted to 2,358,100 bushels compared with 3,036,600 in the corresponding week last year, bringing the total for the crop year to date to 88,617,900 bushels against 71,613,500 in the similar period of 1948-49.

MR. RASMINSKY'S NEW POST: The Minister of Finance, Mr. Abbott, announced on February 5, that Louis Rasminsky has been nominated by the Canadian Government and elected Executive Director of the International Bank for Reconstruction and Development in Washington. He succeeds Donald Gordon who resigned from that post after his appointment as Chairman of the Board and President of the Canadian National Railways.

Mr. Rasminsky, who is Executive Assistant to the Governors of the Bank of Canada and Chairman (Alternate) of the Foreign Exchange Control Board is also an Executive Director of the International Monetary Fund. He will continue to act in these capacities.

The new Executive Director of the World Bank was one of the Canadian advisers at the Bretton Woods Conference in 1944 where he acted as Chairman of the Drafting Committee on the International Monetary Fund. From 1930 to 1939 he served on the staff of the Economic and Financial Section of the League of Nations and since 1940 has been a member of the staff of the Bank of Canada and the Foreign Exchange Control Board.

LIVING COSTS AGAIN DOWN: The Bureau of Statistics cost-of-living index declined 0.5 points between December 1, 1949 and January 3, 1950. This placed the index at 161.0 as compared with 159.6 a year ago, and 148.3 for January, 1948. At the January 3 level, the index was 59.7 per cent above August, 1939.

As has been the case for several months, the largest contribution to the decrease in the total index from December 1 was made by foods which dropped 2.5 points to 199.4. This marked the first time the food index has been under 200 since May, 1949. Within the food group, a drop of 16 cents in the average retail price of eggs accounted for most of the change. Among other food items, an average decrease of two cents in pork prices was partially offset by a rise of 0.7 cents in beef

and veal. Lamb increased nearly two cents, while lard and shortening declined 0.5 cents on the average. Fresh vegetables rose fractionally, sugar increased 0.5 cents and coffee 5.4 cents.

The clothing index declined from 183.7 to 183.3, reflecting slight but scattered decreases. Homefurnishings and services dropped 0.1 points to 167.0 as decreases in blankets, dishes and laundry soap overbalanced increases in telephone and laundry rates. Fuel and light increased 0.4 points to 135.6, following moderate advances in coke prices in some Ontario centres.

STATISTICS ON GRAIN TRADE: The annual report on the grain trade of Canada for the crop year 1947-48, prepared by the Statistics Branch, Board of Grain Commissioners, in collaboration with the Agriculture Division of the Bureau of Statistics, has been released by the Bureau. The volume includes data on acreage, yield and production, farm deliveries, inspections, receipts at terminal and eastern elevators, lake movement, visible supplies, prices, exports, and rail freight rates on grain and grain products. Also included is a summary of the operations of the flour milling industry

LABOUR FORCE BULLETIN: Detailed statistics on the results of the latest quarterly labour force survey conducted during the week ended October 29, 1949, are presented in a bulletin released on February 2 by the Bureau of Statistics. The report contains data on the labour force, persons with jobs, and persons without jobs seeking work, by region, sex and age. Estimates of the number of persons not in the labour force are also included.

TO REPRESENT CANADA: The Department of External Affairs announced on February 3, that senator Armand Daigle will represent the Government of Canada at the official opening of the Haitian International Exhibition in Port-au-Prince on February 12. The present Exhibition is being held to celebrate the bicentenary of the founding of Port-au-Prince. The senator will present a message of greeting from the Prime Minister to the President of Haiti on behalf of the Government of Canada.

LABOUR MANAGEMENT COMMITTEES: At the beginning of 1950, there were 641 Labour-Management Production Committees in operation throughout Canadian industry, compared with 346 at the end of the war, according to a statement released on February 7 by the Minister of Labour Mr. Mitchell, on the work of the Labour-Management Co-operation Service of the Department.

The steady growth in numbers of Labour-

Management Production Committees during the postwar years showed that both employers and employees were becoming more and more convinced of the value of joint consultation on production problems, it was pointed out.

The Committees consist of representatives from management and labour and operate in an advisory capacity on matters affecting industrial productive efficiency. They do not deal with subjects covered by collective bargaining agreements.

The formation of these Committees in industry is sponsored by the Labour-Management Co-operation Service, of the Industrial Relations Branch, Department of Labour.

A breakdown by industrial groups showed that these Committees are well distributed throughout many different industries. Included in the list were: manufacturing with 381 committees, involving 153,253 workers; transportation, 128 committees, involving 60,459 workers; mining, 42 committees, involving 28,522 workers; communications, 41 committees, involving 10,692 workers; service, 27 committees, involving 15,353 workers.

Among the industries making up the total for the manufacturing group were: pulp and paper products, 39 committees; iron and its products, 98 committees; edible plant products, 32 committees, textile products, 25 committees; edible animal and sea products, 22 committees; leather products, 24 committees; lumber and its products, 24 committees.

The largest representation in the transportation industry was steam railways with 108 committees, involving 54,838 workers.

AMBASSADOR OF ARGENTINA: The Department of External Affairs announced that Dr. Agustin Nores Martinez, on February 7, presented to His Excellency the Governor General at Government House, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Argentina to Canada.

The Acting Secretary of State for External Affairs, Mr. Brooke Claxton, was present. Mr. Erasto M. Villa and Dr. Wifredo Brunet, Counsellors of the Argentine Embassy, accompanied the Ambassador. Mr. Howard Measures, Chief of Protocol, Department of External Affairs, presented Dr. Nores Martinez to His Excellency the Governor General.

Dr. Nores Martinez was born in 1909, is married and has two children. A lawyer by profession and author of various works on jurisprudence, Dr. Nores Martinez was formerly a Professor of Constitutional Law and Economic Geography. He was Dean of the Faculty of Law and Rector of the University of Buenos Aires, and, at the time of his appointment to Canada, was serving as a judge of the Federal Court of Appeal. Dr. Nores Martinez replaces Mr. Atilio Garcia Mellid who left Canada on October 11, 1949.

(Continued from P. 1)

washers, mixers and ironers, juice extractors, and garbage disposal units.

The general effect of all these changes is to eliminate most of the outright prohibitions on imports. As originally drafted more than two years ago, the prohibited list applied to about \$150,000,000 of annual imports. The principal items that will still be on the prohibited list after July 1 will be pork and pork products, cut flowers, soft plastic sheeting, electric lighting fixtures and appliances, various kinds of ornaments, coin-operated amusement devices and vending machines and the so-called comic and pulp magazines. The total value of imports affected by the prohibited list will then be less than \$25,000,000 on the basis of 1946-47 trade figures. Imports subject to quotas will represent about \$200,000,000 on the basis of 1946-47 imports.

These reductions in the prohibited list will also have the effect of encouraging some additional imports from the United Kingdom and Western European countries.

Commenting further on these relaxations Mr. Abbott said that they were in line with the Government's policy of removing emergency import controls just as rapidly as the improvement in our exchange position warranted. While there had been substantial fluctuations during the year our exchange reserves had improved considerably by the end of 1949 and this enabled the present relaxations to be made. Further relaxations during the second half of 1950 would have to depend on the future course of events.

UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits in December numbered 150,480, up over the November figure of 124,889, and above the 114,506 in December, 1948. Initial and renewal claims, representing mainly new cases of recorded unemployment, rose sharply to 139,406 from 114,888 in November and 105,939 a year ago.

As compared with December, 1948, increased claims were recorded in all Provinces except Prince Edward Island. Quebec's total was up from 36,028 to 50,494, Ontario from 29,641 to 41,453, British Columbia from 21,186 to 23,235, Nova Scotia from 6,442 to 8,159, Manitoba from 6,421 to 7,581, New Brunswick from 5,049 to 6,779, Alberta from 4,605 to 6,390, Saskatchewan from 4,153 to 5,303. Prince Edward Island fell from 981 to 964. Benefit claims in Newfoundland in December 1949 totalled 122.

In December, benefit payments amounted to \$7,181,001 for 3,066,888 compensated days as against \$5,048,373 for 2,178,130 days in November and \$3,592,155 for 1,687,804 days in December, 1948.

ICAO TRAINEE PROGRAMME: Five men and one woman have been chosen to take part in the third trainee programme of the International Civil Aviation Organization, according to an announcement by ICAO Secretary General Dr. Albert Roper.

All 56 member nations of ICAO were asked to submit nominations for this programme; the successful candidates will go to Montreal on 27 February and will spend a five-month period studying and taking part in the work of the organization. Upon completion of this period, the trainees will then return to their home countries and there will aid in maintaining liaison with ICAO.

The successful candidates are:

- Belgium:** Jean Van Bellingham, Student now under training at the UN Fuel and Energy Commission.
- Brazil:** Eurico Pacobahyba, Secretary to Brazilian Commission for International Air Navigation studies.
- Ceylon:** Dixon Kotelawala, Acting Aerodromes Officer.
- Egypt:** Badr El Din Galal, Chief, Air Transport Section, Department of Civil Aviation.
- Mexico:** Miss Maria Vivar Balderrama, Junior Assistant, Legal Department, Altos Hornos de Mexico, S.A.
- Portugal:** Manuel F.G. Madruga, Chief of Section, Department of Civil Aviation.

STAFF COLLEGE EXAMS: Next week will be a tough one for 138 Army captains and majors who will write the annual entrance examinations for the Canadian Army Staff College, Kingston, Ont. The examinations will commence February 14 and last almost a week, the final one being written February 17.

They culminate a year of intensive study in their own time by the officers. However, for the past two weeks, the majority have been on a course of full time study in preparation for the important tests.

A "pass mark" will qualify them for entrance to the Staff College but not necessarily mean they will be selected to attend. Each year only about 55 eligible officers are chosen. A very small number may be sent to similar colleges in Commonwealth countries on an exchange basis.

Embracing a wide range of subjects including current world affairs, military history, military law and the organization and principles of employment of all arms of the Service, the examination will be written at Army Headquarters in Ottawa and at the various Command and Area headquarters across the country. One officer, presently on overseas duty, will tackle his papers in England.

JAPANESE DELEGATION: The Department of External Affairs announced on February 9 that the Canadian Government has extended an invitation to a delegation of Japanese Members of Parliament to visit Ottawa. The delegation which is now in the United States numbers fourteen. It includes leading members of all major parties, with the exception of the Communist Party, from both Japanese Houses. The group is expected to arrive in Ottawa on February 22 and leave on February 24.

The purpose of the visit to Canada is to give an opportunity to the Japanese Members of Parliament to study the Canadian parliamentary system. Under the post-war constitution, Japan's system of government bears a strong resemblance to our Canadian system. The delegation therefore is particularly interested in such problems as the process by which bills are passed, the working of party government, and any background information as to how political parties are formed and developed in a democracy. Included in the delegation are members of the secretariat of the Japanese Diet who are concerned with administrative details. The delegation has been visiting state legislatures and the federal Congress in the United States. A suitable programme for the delegates in Ottawa is now being prepared.

Three interpreters are accompanying the group in order that language difficulties be minimized. In addition, certain members of the delegation speak English.

The visit of the Japanese group to North America, which will last about 40 days, has the full approval of General MacArthur's headquarters. Besides interpreters, the group is accompanied by two representatives of the Government Section, Headquarters, Supreme Commander for the Allied Powers.

EXERCISE SWEETBRIAR: Whitehorse, Y.T., Feb. 9 -- Exercise Sweetbriar begins at one minute past midnight on Monday, February 13, when Canadian and United States forces swing into action against the "Aggressor Force" which has already overrun the Fairbanks area and seized the landing strip at Northway, close to the Yukon-Alaska boundary.

Whatever the outcome of the exercise, it is already apparent here that joint and combined staffs of Canadian and United States officers make up a first class fighting team. The co-operation at all levels from the manoeuvre

commander down has been and is excellent, and is reflected in the free and easy intermingling of troops of both countries in their off hours at the movies, in the canteens and on the streets of Whitehorse.

The concentration of Canadian Army vehicles and personnel at Whitehorse is now complete. All units are shaking down for their role in the exercise by running through stiff training drills in the surrounding bush and along the Highway. It is now estimated that some 1,428 Canadian troops, both Active and Reserve, will be actively engaged. In addition there will be approximately 800 men of the Royal Canadian Air Force participating.

The Army has brought in 428 vehicles of all types for the exercise, including specially designed over-snow vehicles, telecommunication equipment, and heated personnel and commodity carriers. The job of driving the vehicles here over the 1,538 miles of ice and snow-covered highway from Wainwright with no personnel casualties and no major mechanical difficulty was outstanding. Ahead of them now are the 372 miles to Northway where the exercise ends, and, of course, the 1,910-mile return trip to Wainwright.

Included in the 1,428 troops taking part in the exercise are 125 members of the Reserve Force, mostly from Western Command. Members of the Active Force represent every province in Canada. Morale of the troops is extremely high.

NAVAL RESEARCH ESTABLISHMENT: Construction of a new \$450,000 building to house the Naval Research Establishment at French Cable Wharf, Dartmouth, N.S., is expected to begin early this summer, the Minister of National Defence, Mr. Claxton, announced on February 9.

The building will provide modern laboratory facilities and equipment and it is expected that it will take approximately 18 months to complete.

ELECTRIC ENERGY: Production of electric energy by Canada's central electric stations reached an all-time record total of 46,673,214,000 kilowatt hours in 1949, rising almost five per cent over the preceding year's total of 44,568,849,000. During the past 21 years the annual output has almost tripled, production in 1928 amounting to 15,900,000,000 kilowatt hours.

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WEEK'S EVENTS IN REVIEW

MR. ST. LAURENT'S N.Y. SPEECH: The reduction of United States tariff and other trade barriers "might make a tremendous contribution to the security of the free world generally and the United States in particular," the Prime Minister, Mr. St. Laurent, said in an address to the Canadian Society of New York on February 10.

After a review of events leading up to the North Atlantic Treaty, Mr. St. Laurent proceeded as follows:

"... The North Atlantic Treaty organization has been established and we are faced with new problems. The Treaty itself asserts that the North Atlantic community is not just a military alliance; the North Atlantic nations have undertaken to combine their economic, social and moral strength as well as their military resources. And if the North Atlantic Treaty is to be an effective deterrent to aggression, that combination of strength must apply in all those spheres.

"Of course, the first requirement is sufficient armed strength to prevent any sudden overwhelming blow from destroying all power of effective resistance. But in these days, when weapons become obsolete so quickly, the North Atlantic Nations could probably make no greater mistake than to concentrate on piling up armaments to the point where they become a dead weight on our national economies.

"We are accustomed to think of this 'cold war' as a struggle between two ways of life,

an ideological struggle. Of course, it is that. But there is another way of looking at it. It is also a competition not so much in piling up armaments, as in the development of military potential.

"Once we appear to have sufficient strength to prevent a sudden knock-out blow, the calculations of any potential aggressor are apt to turn from arms-in-being to estimates of respective staying power. Important though it may be not to lose the first battle, it is far more important to remain able to win the last one. And staying power in the final analysis depends on whether we can maintain - not just in the United States, not just in North America, but in the whole North Atlantic community - a healthy, progressive and dynamic society.

"Almost all of us in North America believe that free economies, like ours, can produce greater wealth - and distribute it more fairly - than totalitarian societies. But the mere conviction will not be enough; we must continue to demonstrate that the facts justify our belief.

"Now I am convinced that all the North Atlantic Nations signed the Treaty in good faith and that all wish to do their part to give it reality. It is obvious however that European nations, with economies still shaky from the dislocation and devastation of aerial bombardment, prolonged enemy occupation, cannot yet give the same response as the relatively sheltered economies of North America.

DELEGATES TO GENEVA CONFERENCE: The Department of External Affairs announced on February 9, that the following officials will compose the Canadian Delegation to the fourth meeting of countries which are members of the General Agreement on Tariffs and Trade. This meeting opens in Geneva on February 23 and is expected to last four weeks. Mr. L.D. Wilgress, Canadian High Commissioner in the United Kingdom will head the Delegation. He will be assisted by Mr. Louis Couillard, Economic Division, Department of External Affairs; Mr. J.J. Deutsch, Director, International Economic Relations Division, Department of Finance; Mr. C.M. Isbister, Director, International Trade Relations Division, Department of Trade and Commerce; and Mr. H.R. Kemp, Special Trade Adviser, Department of Trade and Commerce.

By agreement between the member countries, the agenda of the Fourth Session cannot be made public at this time. The Canadian representatives, however, expect to take part in discussions on a wide variety of subjects which are governed by the General Agreement. Of these, probably the most important will be the question of import restrictions imposed by member countries for balance of payments reasons. Canadian representatives also expect to discuss the question of extending, for a further firm period, the tariff concessions exchanged at Geneva in 1947 and at Annecy in 1949. There will be no negotiations at the forthcoming meeting. There is bound to be, however, some discussion of the third round of tariff negotiations which will begin next September.

Under the terms of the General Agreement, the countries members to it, meet from time to time for the purpose of giving effect to those provisions of the Agreement which involve action and, generally, with a view to facilitating the operation and furthering the objectives of the Agreement. The forthcoming meeting is officially known as the Fourth Session of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade.

The General Agreement was concluded at Geneva in 1947. It entered into provisional effect on January 1, 1948, and is now being applied by some twenty-four countries. It is expected that the membership will increase to thirty-three within the next few months, as a result of the tariff negotiations which were held under the General Agreement at Annecy, France, last year.

SMALL DECLINE IN EMPLOYMENT: The trend of industrial employment at the beginning of December was slightly downward for the second successive month, when the 20,798 employers co-operating in the Bureau's monthly survey reported 0.2 per cent fewer employees. This loss was accompanied by a similar decline in the weekly salaries and wages.

Based on the 1926 average as 100, the general index number of employment at December 1, 1949, stood at 201.5 as compared with 202.0 in the preceding month, and 204.3 at December 1, 1948, when the all-time maximum for that date was recorded. The index of payrolls, based on June 1, 1941 as 100, stood at 224.4 as compared with 224.8 at November 1, and 219.0 at December 1, 1948. Per capita weekly earnings showed little change, averaging \$43.82 as compared with \$43.80 at November 1, and \$42.23 a year earlier.

H.R. KEMP TRADE ADVISER: Improved facilities for the handling of external trade problems are expected to result from a reorganization within its Economic Research and Development Branch, according to a Department of Trade and Commerce announcement on February 9. Hubert R. Kemp, formerly Director of the Commercial Relations and Foreign Tariffs Division, has been raised to the position of Trade Adviser, and Dr. Claude M. Isbister, succeeds him as Director of the International Trade Relations Division, the new name for this Division.

Mr. Kemp's principal function will be the consideration of commercial problems arising from the increasing importance of Canada as a trading nation and the complexity of these problems. He will be responsible for the preparation of studies on international trade developments, and the interpretation of these developments in accordance with Canadian trade policy for the guidance of other officers in the Department, including Trade Commissioners in training and those serving abroad. His extensive knowledge of tariffs and trade practices, his participation in the negotiation of trade agreements with foreign countries, and experience gained at international conferences in London and Geneva for the preparation of a General Agreement on Tariffs and Trade qualify Mr. Kemp for the position to which he has been appointed.

In the establishment of an International Trade Relations Division; the former functions of the Commercial Relations and Foreign Tariffs Division will be expanded to provide a closer study of international trade agreements and the implications to Canada of the tariffs and trade practices of other countries. Emphasis will be placed on research and information relating to current developments in the international trade picture and to the effect of these developments on the Canadian economy as a whole, as well as on Canada's domestic and foreign trade.

PACIFIC TRAINING CRUISE: Three ships of the R.C.N.'s Pacific Command will sail from Esquimalt on March 2 on a month-long training cruise which will take them to Mexican and Californian ports, it was announced at Naval Headquarters on February 10.

Headed by the cruiser HMCS "Ontario", the training force will also include the destroyers "Cayuga" and "Sioux". The cruise will mark the first extensive voyage for the "Sioux" - the Navy's habitability "guinea pig" - since being fitted out with messing and sleeping arrangements unique in destroyers of the Canadian and British Navies.

The training cruise is the second phase of the Royal Canadian Navy's spring sea-training program. On February 13, HMC Ships "Magnificent", "Micmac" and "Swansea" sail from Halifax for exercises in Atlantic and Caribbean waters.

First port of call during the Pacific cruise, which will cover more than 5,000 nautical miles, is San Diego, California, where the ships will refuel during a one-day stop-over on March 6. They then shape a southerly course for Magdalena Bay, Mexico, where they will carry out boat-work, seamanship and general training evolutions during a week in the sheltered waters of the Bay.

On March 17 the training force sails north, with the destroyers putting into Manzanillo, Mexico, on March 18 to refuel. Highlight of the return voyage will be a night encounter exercise which takes place following a departure from Manzanillo.

The ships will spend three days in Long Beach, California, from March 27 to 30, before beginning the last leg of the cruise. They are slated to return to their Esquimalt base on April 3.

MR. ABBOTT URGES FREER TRADE: The Minister of Finance, Mr. Abbott, addressed the Annual Meeting of the Canadian Section of the International Chamber of Commerce in Montreal on February 9. The following is an excerpt from his speech:

"...Canada is today the third most important trading nation -- on a per capita basis I believe it is the first. It is probably fair to say that few countries are more dependent on trade than we are. Moreover, this dependence is firmly rooted in the very nature of our natural resources and our industrial structure...."

"Given the basic features of our economic structure and the heavy dependence on trade, I believe that the only appropriate policy for Canada with respect to tariffs and other trade barriers is to get them down to reasonable levels and keep them down, both here and abroad. This does not mean free trade in the classical sense -- but it does mean freer trade.

"I believe that the prosperity of Canada as well as other countries will be fostered, if by removing excessive trade barriers, countries will specialize in the production of the things they are good at and exchange them for the goods that other countries produce more cheaply. For this reason we must encourage by every means at our disposal policies and

practices which make possible the broadest exchange of goods.

"Of course this means that we must in our own country practise what we preach. I think that Canada has in the main practised a reasonable and moderate tariff policy -- with the exception of a short period during the great depression of the thirties...."

REINDEER HERDS A BOON: The Minister of Resources and Development, Mr. Winters, says that Canada's reindeer herds in the Western Arctic have been a boon to the authorities fighting the recent measles epidemic among Indians and Eskimos in that area. The enforcement of quarantine and the fact that many natives have been prevented by illness from hunting and fishing made it imperative that food supplies should be forthcoming from other sources. The presence of reindeer herds in the region has been of great value in augmenting immediately available food and particularly in providing fresh meat.

In addition to the 100 reindeer carcasses donated each winter to mission hospitals and residential schools at Aklavik, another 50 carcasses were made available for immediate distribution to natives in the area and more reindeer will be slaughtered if and when the need arises. This is being done without unduly depleting the basic reindeer herds, now numbering nearly 7,000 head.

At present there are three herds in the area east of the Mackenzie River delta near the Arctic Coast. The main herd is under the management of officers of the Department and two smaller herds are under native management with government supervision. It is hoped to establish additional herds under native management as soon as suitable personnel can be trained and sufficient reindeer are available.

The availability of this fresh meat supply in an emergency is an example of the benefits which can accrue from the development of reindeer herds throughout these Arctic regions. It will also help to diminish the pressure on wildlife resources in the area and act as an insurance against food shortages due to periodical scarcity of game.

CANADA EIGHTH IN FISHERIES: The Canadian fishing industry was enlarged to a considerable extent during 1949, by the entry of Newfoundland as the tenth Province. Latest available statistics indicate that Canada's position among producing countries is strengthened but that she still remains eighth in order. However, in 1948 Canada and Newfoundland together stood in the front ranks, as far as the value of exports of fisheries products are concerned. The contribution of high priced species such as salmon, halibut, lobster, whitefish, etc., accounts for this result.

PRODUCTION LEVEL HIGHER IN 1949

BANK OF CANADA REPORT: A continued high level of production and relatively unchanged price levels were the main features of Canadian economic life in 1949 according to the Annual Report of the Bank of Canada issued on February 13 by Graham Towers.

In presenting the Bank's Annual Statement of Accounts to the Minister of Finance, Mr. Towers reported that the physical output of all goods and services was nearly 3% higher than in 1948. Upward price pressures largely disappeared for the first time since the beginning of the war. The wholesale price index declined about 2% and the cost of living index rose about 1%.

Although the general economic situation was good in 1949 the Report pointed out that in certain respects the picture had not been completely satisfactory. The physical volume of our exports was 3% less in 1949 than in 1948. Unemployment was somewhat above the very low level of 1948 and undoubtedly there had been some difficult situations in particular localities and industries.

Mr. Towers compared economic conditions in the United States and Canada during 1949. "Changes in U.S. business conditions normally exercise a very strong influence on the Canadian situation," the Governor commented. "It is a matter of some interest, therefore, that there should have been a sharp contrast between the trends evident in the two economies during 1949".

Canada, he said, did not show any serious effects from the "rather sharp recession" which took place in the U.S. The continued

high level of economic activity in Canada could be attributed in part to the fact that the accumulation of war-time demand for goods and services in Canada was worked off more slowly, and a more gradual process of decontrol after the war had spread the upward pressure on prices over a longer period of time. In addition, there was the strength imparted to our economy by the resource discoveries of recent years. The pickup in the level of United States economic activity during the latter months of the year had erased a considerable part of the divergence which appeared during the first half of the year.

The growth of the Canadian economy was highlighted in the Report by a comparison of figures for 1948-9 and 1928-9. The volume of personal consumption was about 80% greater on the average in 1948-9 than 20 years ago. After allowing for the increase in population, the increase in physical consumption per capita was about 39% in this period.

In reviewing monetary conditions during the year, Mr. Towers noted that there had been a small increase in Money Supply and on balance some decline in public holdings of other liquid assets. The increase in chartered bank loans and non-Government investments in 1949 was considerably less than in recent years. There was a large volume of non-Government security issues during 1949 which was absorbed by public investors rather than the banks whose holdings of such investments showed some decrease on the year.

LIVING COSTS LOWER: Cost-of-living indexes for six of the eight regional cities moved lower during December. Declines in the food indexes were mainly responsible and reflected principally sharp drops in eggs coupled with small recessions in pork products. Clothing price indexes were generally easier at most centres while homefurnishings and services presented mixed changes. Indexes for miscellaneous items were higher, reflecting the results of annual surveys of commodities and services which are generally of a stable price nature. These included drugs, hospital charges, doctors' and dentists' fees, newspaper rates and barbers' fees. Indexes for rents were unchanged since they were not surveyed in January.

J.R.B. COLEMAN APPOINTMENT: The Minister of Resources and Development, Mr. Winters, has announced the appointment of J.R.B. Coleman as Assistant Controller of the National Parks and Historic Sites Services. Mr. Coleman is

a forester with the Forestry Branch of the Department.

NOVEMBER LABOUR INCOME: Estimated total of salaries and wages and supplementary labour income in November stands at \$661,000,000, showing a decline of \$2,000,000 from the preceding month, but \$29,000,000 or about five per cent above November, 1948. This brought the aggregate for the first 11 months of the year to \$6,988,000,000 against \$6,499,000,000 in the similar period of 1948, an increase of 7.5 per cent, the Bureau of Statistics reports.

Labour income in agriculture, logging, fishing, trapping and mining in the month was down to \$51,000,000 from \$53,000,000 in October and \$56,000,000 a year earlier. The 11-month total for this group was also lower at \$539,000,000 compared with \$570,000,000 in the same period of 1948.

In manufacturing, labour income totalled \$218,000,000, down \$1,000,000 from October, but \$4,000,000 higher than in November, 1948.

(Continued from P. 1)

And the restoration of genuine economic security to the European partners in the North Atlantic alliance is one of the most effective means of achieving military security and ultimately of reducing the burden of providing that security.

"Looking no farther than this continent, there is naturally bound to be considerable difference between what a great power like the United States and a nation like Canada, with a much smaller population, can do to give reality to North Atlantic security. In many ways the two countries are similar; but in many ways they are quite different. And I believe it is quite as important to understand the differences as it is to appreciate the similarities, if we expect to maintain that mutual feeling that we are all of us being absolutely fair to each other.

MOST POWERFUL NATION

"As the most powerful nation on earth, the United States has world-wide interests and responsibilities that Canada does not share. Moreover, in population the United States is about 150 millions to our thirteen and a half; in developed wealth and in annual national income the difference is considerably greater. On the other hand, Canada is physically a larger country than the United States - a good deal larger in square miles.

"That means we have a very heavy national overhead. Take railways as an example... And so it goes, all through the Canadian economy. Compared with the United States, we have to use a far larger proportion of our national wealth to maintain those essential services which keep a country going. As a result we in Canada have never been able to equal the American standard of living, though by dint of hard work we have kept not too far behind.

"Then there is another great difference between Canada and the United States. The United States, it is true, has vast problems of conservation, but this country has passed the pioneering stage, while with us in Canada, a large part of our national estate is still waiting to be opened up. If Canada is to achieve its highest economic and military potential, the development of new natural resources must be pushed ahead rapidly, and that means heavy capital outlays from our annual production of wealth.

"Then there is another big difference. For the United States, with its mature and largely self-sufficient economy, foreign trade is, relatively, much less important than for Canada which is at an earlier stage of economic development. We need to attract capital from outside Canada, and because of the nature of our resources we are heavily dependent on external trade. All that means our economy - and our prosperity - are more vulnerable than the economy of the United States.

"This dependence of Canada on world trade, and the vulnerability to which it gives rise,

are more serious because of another factor in our situation. Canada has a large favourable balance of trade with Western Europe and a large unfavourable balance with the United States. And that means for us an exchange problem which the United States does not have.

"In the past decade, we have experienced what is almost an industrial revolution in Canada; but by the standards of your nation of 150 millions our industry is still on a small scale. The production of the whole range of modern armaments on a large scale is obviously beyond our capacity. What we must have, if we are to make our most effective contribution to our joint security, is specialization on the manufacture of a limited number of items coupled with the kind of reciprocal arrangement we had with the United States during the war.

HYDE PARK DECLARATION

"Under the so-called Hyde Park Declaration of 1941, each country produced for the other those armaments it was best fitted to produce. Each of us paid hard cash for the other's product, but we were better able to pay you because we were able to sell munitions and weapons to you. The Hyde Park arrangement involved no loans, no gifts, no charity - nothing but plain business sense. And we in Canada cannot see why a business arrangement which produced such good results for both countries in war should not produce equally good results in providing security during this period of the cold war.

"In maintaining an effective security system there is this kind of a problem the North Atlantic nations are apt to have to face in the next few years. The more effective the North Atlantic Treaty proves to be in pushing back the menace of aggression, the more difficult it will be to ensure that the people of the free nations will remain willing to pay the insurance premiums necessary for their security.

"We shall probably hear, in all the North Atlantic countries, a good deal of grumbling, and perhaps some invidious comparisons about the share of the burden each nation is ready to bear. I hope none of us is going to be too much worried by such grumbling or even by invidious comparisons. Free debate, after all, is the privilege of free peoples. By contrast, the unhappy people of Poland, of Czechoslovakia, of Hungary and of Russia, are not permitted even to grumble out loud about having to bear a heavy share of the upkeep of the iron curtain.

"To maintain the security of the North Atlantic community, each nation must clearly make the kind of contribution it is best fitted to make by history, by geography, by aptitude and by resources.

"Since economic strength is the essential foundation of genuine military strength, it follows that one of the main objectives of the

North Atlantic nations is to keep their economies strong so that they can make their contributions towards maintaining the peace without impairing their ultimate staying power.

"I think we all hope and believe that can be done and that international security need not mean any reduction in the economic efficiency of this continent nor even in the North American standard of living. There has been such a great increase in our productivity on this continent that our material standard of living has continued to rise despite all we have thus far expended on defence or contributed to European recovery.

MARSHALL PLAN ASSISTANCE

"The massive assistance of the Marshall Plan to the economic recovery of Europe has been quite as important a contribution to our common security as the North Atlantic Treaty itself. And we can understand the emphasis your public men are laying on the importance of removing barriers to the trade of our European allies with each other.

"But I do not think we can afford to lose sight of the fact that it is even more important to the economic strength of the free world that the European countries and, indeed, all countries suffering from a dollar shortage, should also be able to export as freely as possible to North American markets. It is, after all, only by accepting imports from other continents that we in North America can hope to reduce the real cost to ourselves of our contribution to the common security of the free world. And it is only by accepting imports that we can hope to provide stable and profitable markets outside our continent for these agricultural and other surpluses beyond our own needs which both our countries do actually produce.

"Canada, in this matter also, is in a somewhat different position than the United States. Though we still export rather more than we import, our over-all exports and imports are not too far from a balance. But, as I have already said, we in Canada import from the United States far more than we export to this country, and we export to Europe far more than we import from Europe. That is why Canada, too, has a dollar problem. We, therefore, have a special interest in freer multilateral trade and though I am not an economist, that seems to me to mean freer entry to this country both for European exports and for our own.

"I would not venture to advocate the reduction of tariff and other trade barriers as any special favour to us. But it does seem to me that such a policy might make a tremendous contribution to the security of the free world generally and the United States in particular.

"A century ago, England found herself in much the same position the United States has today. England was then the greatest industrial nation, the wealthiest nation and, therefore, the greatest potential market. She opened that great market freely to the world and, whether

as a result or merely as a coincidence, the world - herself included - enjoyed more than half a century of comparative peace and economic progress.

"Might it be possible that history has there a lesson for this continent and this country at the mid-point of the twentieth century?...."

ICAO PARIS MEETING: An attempt to fill in the existing gaps in the world network of upper air weather reporting stations will be made by the International Civil Aviation Organization's Meteorological Division, whose third session began in Paris on February 14.

ICAO officials point out that, with modern airliners now flying on scheduled routes through the upper atmosphere, a better knowledge of weather conditions there has become necessary. Most upper air reports are obtained from radiosonde balloons, unmanned balloons carrying special radio equipment which send back weather reports as they climb. The radiosonde networks in Western Europe and in North America are reasonably complete, but in some regions of the world there are only two or three radiosonde stations for an entire continent. Major difficulty is financial; it costs as much as \$30,000 per year to operate one radiosonde station.

The ICAO Meteorological Division will also investigate the available knowledge of the physical conditions of layers of the atmosphere which will be used by jet aircraft. Sudden gusts (sometimes known to the passenger as "bumps") have increasingly violent effects as the speed of flight increases. With the introduction of jet aircraft flying at very high speeds, it becomes more important to have the fullest possible knowledge of the character of the gusts in order that they may not take pilots by surprise. Study of the physics of the upper atmosphere may help in improving the possibilities for predicting under what conditions gusts can be expected at various levels.

A number of additional items also are on the agenda.

1949 FARM PRICES LOWER: Farm prices of Canadian agricultural products moved lower in 1949 for the first time since 1939, the annual average index number, on the base 1935-39, showing a slight decline from the all-time high annual average figure of 252.6 in 1948 to 251.3. For 1947 the index stood at 212.5 and for 1946 at 200.8, while for 1939 the average was 91.8. The index for December, at 246.8, was slightly above the November figure of 245.9, but down from the December 1948 index of 259.9.

There were declines in 1949 from 1948 in the prices of grains, dairy products, potatoes, vegetables and furs, but increases in livestock, poultry, and eggs, fruits, tobacco and maple products.

1949 TRADE BALANCE \$261,200,000

IMPORTS AT NEW PEAK: Canada's foreign commodity trade was maintained at high levels during 1949. Trade returns for the 12 months show total exports down only slightly in value from the all-time peak established in 1948, while imports into Canada reached a new record value.

Total exports -- domestic and foreign -- to all countries were valued at \$3,022,500,000 as compared with the record value of \$3,110,000,000, in 1948, the moderate decline in the total being due mainly to a reduction in the aggregate value of exports to dollar-short European countries. Total merchandise imports were valued at \$2,761,200,000, up \$124,300,000 or 4.7 per cent over the previous peak of \$2,636,900,000 for 1948. Most of the rise in imports was in the earlier part of the year. During the latter months there were appreciable declines in the volume of imports as well as some declines in value.

Total exports to the United States last year also set a new record at \$1,524,100,000, up slightly from \$1,522,200,000 in 1948, when the value increased nearly 50 per cent over the previous year, the movement of goods across the border being particularly buoyant in the last two months of the year. Imports from the United States increased \$146,100,000 from \$1,805,800,000 in 1948 to \$1,951,900,000, but at the latter level were still short of the exceptionally high total of \$1,974,700,000 in 1947 when prices were lower.

Increases in purchases from the United States over the previous year were largest in the first seven months of 1949 and tapered off from August to October. In November and Decem-

ber there were decreases, indicating a decline in volume since the values were in terms of devalued Canadian dollars.

In trade with the United Kingdom, both exports and imports were higher in value last year than in 1948. Total shipments to the United Kingdom were valued at \$709,300,000 as against \$688,700,000 the previous year, and imports from the United Kingdom at \$307,400,000 as compared with \$299,500,000. Values of imports from the United Kingdom were generally higher during the first eight months of the year, and lower in the last four. Volume of imports in the closing months of the year, however, was greater than the value figures indicate because of the effect of the devaluation of sterling on the Canadian dollar value.

Canada's overall credit balance on commodity account, due to the rise in imports, declined last year to \$261,200,000 as compared with \$473,100,000 in 1948, but was above the credit balance of \$237,800,000 in 1947. Most of the decline in the export balance from the previous year occurred in the earlier months of the year. November and December saw large export balances, totalling \$130,800,000, or approximately one-half the year's total balance.

Due to the greater increase in imports than exports, Canada's debit balance with the United States increased in 1949 to \$427,800,000 from \$283,600,000 the previous year -- accounting for about two-thirds of the decrease in the overall credit balance -- but was less than half the adverse balance of \$918,100,000 in 1947.

AIR AGREEMENT WITH NORWAY: The Department of External Affairs announced on February 14 that a Bilateral Agreement for Air Services between Canada and Norway was signed on that afternoon in Ottawa. The Minister of Transport, Mr. Chevrier, signed on behalf of Canada, while His Excellency Daniel Steen, Minister to Canada for Norway, signed on behalf of his Government.

This Agreement is similar to the previous Agreement concluded by Canada with Sweden in 1947 and with Denmark in 1949 and provides for the direct carriage of traffic between Canada and Norway. Gander, Newfoundland, has been designated as the airport in Canada at which Norway may exercise its traffic rights.

An airline owned by the Government of Norway is a partner together with a Swedish and a Danish airline in the pooled Scandinavian Airlines System. This joint company has already been operating into Canada by virtue of the earlier Agreements concluded with Sweden and Denmark.

WAGE LEVELS AT NEW HIGH: Average weekly wages paid to hourly-rated wage-earners employed by leading Canadian manufacturing establishments reached a new high figure of \$42.86 at December 1 as compared with \$42.59 at the beginning of November and \$41.47 a year earlier. In the heavy manufactured class the latest figure was \$42.66 compared with \$46.22 at November 1 and \$45.18 at December 1, 1948, while in the non-durable division the average was \$39.25 against \$39.21 at November 1 and \$37.80 a year earlier.

Hourly earnings in manufacturing were also at a new high average of 99.9 cents, 0.4 cents above November 1 and 3.9 cents higher than at December 1, 1948. In durable manufactured goods the average was 108.5 cents compared with 108.0 at November 1 and 104.1 at December 1, 1948, and in non-durable manufactured goods it was 91.5 cents compared with 91.4 cents at November 1, and 87.7 cents a year ago.

The average work-week was 42.9 hours compared with 42.8 at November 1, and 43.2 at December 1, 1948.

SECOND SESSION, TWENTY-FIRST PARLIAMENT

SPEECH FROM THE THRONE: The Second Session of the Twenty-First Parliament opened on February 16. The portion of the Speech from the Throne, read by the Governor General, Viscount Alexander, which dealt with international affairs and with impending legislation, was as follows:

"In the international sphere, our country continues to give full support to the Charter of the United Nations. A Canadian delegation is now attending a session of the Economic and Social Council to which Canada was elected at the last session of the General Assembly.

"The recent conference in Ceylon of the Foreign Ministers of the nations of the Commonwealth demonstrated that there is a continuing and substantial community of outlook among the nations of the Commonwealth both in the East and the West in their approach to current problems of foreign affairs.

"The measures for the preservation of peace and the restoration and maintenance of prosperity contemplated by the North Atlantic Treaty are being devised and applied as expeditiously as circumstances permit. The wholehearted co-operation of all the signatories to the Treaty is encouraging evidence of their determination to deter aggression by a combination of actual and potential strength calculated to remove the possibility of successful aggression.

"The cold war nevertheless still continues and imposes on all the free nations heavy burdens for the provision of defence forces and modern armaments. Preparedness to meet any sudden onslaught is essential and the means must be provided. But the free nations also face a test of endurance, and our staying power could be endangered by attempting to achieve complete preparedness at the expense of our adaptability to new developments in weapons and techniques of warfare or the efficiency of our social and industrial systems....

"The measure to consolidate existing legislation respecting our defence forces and to provide for a purely Canadian disciplinary code to be made applicable to all the forces will be re-introduced....

"Although a high proportion of persons temporarily unemployed are actually in receipt of Unemployment Insurance benefits, you will be asked to give consideration to a Bill to widen the scope and extend the benefits of Unemployment Insurance.

"Circumstances outside Canada have been responsible for some downward adjustments in the price of farm products. Measures have already been taken to reduce the impact of these adjustments. In order to provide authority for continuing price support to that end for the primary products of our farms and fisheries, you will be asked to amend the Agricultural Products Act, the Agricultural Prices Support Act and the Fisheries Prices

Support Act.

"Within the past year, the International Wheat Agreement has been brought into operation. In view of Canada's participation in that Agreement and the recent decision to market course grains through the Canadian Wheat Board, you will also be asked to consider a measure to renew the existing powers of the Board....

"Canadian representatives continue to participate actively in co-ordinated international efforts to bring about improvement in the underlying conditions of world trade. The Government is also pursuing policies designed to develop new markets for our products and to assist overseas customers to increase Canadian earnings. My Ministers will continue their efforts to secure reductions in trade barriers. To this end preparations are actively under way for further multilateral trade negotiations later in the present year.

"While prevailing exchange difficulties will require continued readjustments, we have reason to expect that our export trade as a whole will remain at a high level during the present year.

"You will be asked to give consideration to the legislation required to implement the policy concerning the control and the orderly decontrol of rents announced by the Government during your last session.

"A measure will be introduced to amend the Canada Shipping Act to incorporate changes suggested by the Safety of Life at Sea Convention of 1948 and to define duties of Canadian Consuls and conditions of registration in Canada of Canadian ships.

"You will be asked to consider a Bill for the revision of the Indian Act.

"A Bill will be submitted to substitute a uniform and systematic procedure for existing legislation concerning publication and tabling in Parliament of regulations and orders made by the Governor in Council or Ministers or other agents of the Crown in the exercise of powers conferred by statute.

"Bills will be introduced to implement the policies announced at the last session respecting prize money; the inclusion of veterans of British and allied forces within the scope of the War Veterans Allowance Act; and grants to municipalities in which there is an exceptional concentration of federal property.

"Other measures requiring your consideration will include Bills to amend the Militia Pension Act; the Criminal Code; the Government Annuities Act; the Post Office Act; the Consolidated Revenue and Audit Act; the Currency Act; the Trust Companies Act; the Canadian and British Insurance Companies Act, 1932; the Foreign Insurance Companies Act, 1932; the Customs Act; the Maritime Marshland Rehabilitation Act; and the Northwest Territories Power Commission Act."

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WEEK'S EVENTS IN REVIEW

IN PARLIAMENT: Two no-confidence motions were submitted in the House of Commons this week, as Parliament got under way on its first full week of deliberations. First among the party leaders to participate in the opening debate on the Address in Reply to the Speech from the Throne, the Leader of the Progressive Conservative Party, George Drew, moved the main amendment to the Address. After the Prime Minister, Mr. St. Laurent, had intervened with a speech in reply to Mr. Drew, the Leader of the C. C. F. Party, M. J. Coldwell, moved his party's submission in the form of an amendment to the amendment.

Mr. Drew's four-point proposed amendment read as follows:

"We respectfully submit to Your Excellency that Your Excellency's advisers have:

"(1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and

"(2) failed to take steps to inaugurate a national contributory system of old age pensions without a means test; and

"(3) deliberately violated a law of this Parliament by illegally suppressing the report of the Commissioner under the Combines Investigation Act on the flour milling industry for ten months, including the period of the recent general election campaign, and denied

to Parliament information essential to the performance of its duty and the maintenance of responsible government; and

"(4) failed to take adequate measures to curb espionage and other harmful activities of communists in Canada.

"For these and other reasons we respectfully submit that your Excellency's advisers are not entitled to the confidence of this House."

Mr. Coldwell's subamendment would make the proposed main amendment read:

"We respectfully submit to Your Excellency that Your Excellency's advisers have:

"(1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and

"(2) failed to take steps to inaugurate an over-all social security programme including national health insurance and the removal of the means test from the old age pension; and

"(3) deliberately violated a law of this Parliament by illegally suppressing the report of the Commissioner under the Combines Investigation Act on the flour mill industry for ten months, including the period of the recent general election campaign, and denied to Parliament information essential to the performance of its duty and the maintenance of responsible government...."

TWO DIVISION FLEET: A clear-cut division between operational and training ships is being undertaken in the Royal Canadian Navy. It was announced on February 16, at Naval Headquarters.

Operational ships and carrier-borne aircraft are being welded into a specialized anti-submarine force and are to be developed to the highest possible standard of efficiency.

Training ships will be employed exclusively in providing sea experience for new entries, Reserve personnel and Naval Cadets, and in furnishing the practical training necessary to supplement that received ashore by men taking courses in specialized subjects -- gunnery, communications, electricity, electronics, engineering, radar plotting, etc.

This dual program has been blue-printed for some time but a shortage of manpower and lack of trained personnel delayed its introduction. It is anticipated that the next few months will see these deficiencies sufficiently overcome to clear the way for what is considered to be the most important step taken by the Navy since the war.

FIRST MOVE LAST YEAR

The first move in this direction actually was made last year, when the cruiser H.M.C.S. "Ontario" was freed of all operational commitments and assigned strictly to training duties. However, there were no ships set aside for purely operational purposes, all of them being engaged, of necessity, in training activities at various times and in varying degrees.

The operational force, to begin with, will consist of the aircraft carrier "Magnificent" and destroyers "Micmac" and "Huron" on the East Coast, and the destroyers "Cayuga" and "Sioux" on the West Coast.

The crews of these ships will contain a high proportion of trained personnel and will not be subjected to large-scale changes at frequent intervals, as is the case in training craft. A certain number of untrained men will be absorbed into their ship's companies from time to time but only so many as not to affect their efficiency.

In this way it is hoped that efficiency and teamwork will be developed to a high degree initially in the ships themselves, then in the force as a whole.

Under arrangements which have been in effect for some time, British and United States submarines will be made available to the R.C.N. for practical training purposes. These submarines will be employed both in training anti-submarine personnel and in advanced exercises with ships and aircraft of the operational force.

RECORD RETAIL SALES: Canadians spent more money in retail stores last December than in any other month on record, expenditures running to a total of \$791,420,000, up three per cent over the previous monthly peak of \$770,450,000 in December, 1948. Sales were higher in all months of 1949, compared with 1948 and the aggregate for the 12 months also reached a new all-time high figure of \$7,695,340,000 as against \$7,276,720,000 in 1948, the rise amounting to six per cent.

Christmas buying, always an important influence on December sales, was as active in 1949 as in the preceding year. Apparel stores, customarily popular gift centres, did a flourishing Christmas trade, although sales fell slightly short of December, 1948. Merchants of durable goods ended the year with substantial December sales increases. Appliance and radio stores showed a gain of 23 per cent in sales, while furniture and jewellery stores marked up advances of seven per cent and six per cent, respectively. In most other trades, results for December were close to the average gain of three per cent in total retail trade.

Sales in the year 1949 exceeded 1948 dollar volume for 16 of the 20 individual trades covered in the Bureau's monthly survey. In the four cases where declines occurred -- country general stores, men's clothing stores, family clothing stores, and coal and wood dealers -- the reductions were small. Apart from an increase of 17 per cent for motor vehicle dealers and a 10 per cent gain for garages and filling stations, the increases shown by the majority of trades were of moderate proportions.

R. M. C. WEST POINT HOCKEY ANNUAL: The second postwar meeting between the hockey teams of Royal Military College and the United States Military Academy of West Point, N.Y., will take place at Kingston, Ont., on March 11.

The famous annual series was resumed last winter after a seven-year lapse brought about by the war. In last year's hard-fought match, played at West Point before a jammed arena, the USMA squad chalked up a 5 to 4 victory, their third successive win in the series. They had previously defeated RMC in the 1939 and 1942 games, the last to be played before 1949.

The series has often been described as one of the world's "most sporting" athletic events. Never once during the entire history of the series, since 1923, has a player been penalized. And this in spite of the fact that rivalry and hard play has been keen in every game, with no quarter asked and none given. It is a record believed to be unique in college athletics.

NEW DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

THREE ACTIVITIES: The new Department of Citizenship and Immigration combines under one head three activities of Government dealing with human beings and designed to bring these human beings to the status of full citizenship.

It plans and directs the movement of immigrants to Canada; administers the Canadian Citizenship Act and assists in the adjustment of immigrants to the Canadian way of life and in the integration of the various ethnic groups which make up Canada's population, and administers the affairs of the 130,000 Indians of Canada, the Department announces.

The Minister of Citizenship and Immigration is the Honourable Walter Harris, and the Deputy Minister is Laval Fortier. A.L. Jolliffe is Special Advisor to the Deputy Minister on immigration matters. Head Office of the Department is in the Woods Building, Slater and Elgin Streets, Ottawa.

The Department is divided into the following five branches: Administration, Immigration, Canadian Citizenship Registration, Canadian Citizenship, Indian Affairs.

Administration Branch: W.J.F. Pratt, is Acting Chief Administrative Officer. The Administration Branch provides central services for the entire Department through the following five sections: Administration, Personnel, Purchasing, Legal, Editorial and Information.

Immigration Branch: C.E.S. Smith, is Acting Director. The Immigration Branch comprises the Canadian Service, which includes five Immigration Districts and 293 ports of entry in Canada; the Overseas Service, which includes immigration offices in the United Kingdom, Continental Europe, and Hong Kong; and the Settlement Service, whose members stationed in Canada and Europe provide up-to-date information and individual guidance to prospective immigrants.

Heads of services are the following: Canadian Service, P.T. Baldwin, Assistant Commissioner; Overseas Service, J.D. McFarlane, Assistant Commissioner; Settlement Service, J.A. Paul, Superintendent.

Canadian Citizenship Registration Branch: J.E. Duggan, is Registrar; Paul Deziel, Assistant Registrar. This Branch administers the Canadian Citizenship Act, deals with applications from aliens wishing to become Canadian citizens, and issues certificates in proof of their status to Canadian citizens.

Canadian Citizenship Branch: Frank Foulds, is Director; Dr. Louis Charbonneau, Assistant Director. This Branch assists Provincial Departments of Education and national organizations and societies in the development of programmes designed to help immigrants adjust themselves to the Canadian way of life. It also assists in the integration of the various ethnic groups which make up Canada's population.

The Branch is subdivided into three main divisions: The Liaison Division, concerned with the co-ordination of citizenship training programmes sponsored by the Provincial Departments of Education and national organizations and societies; the Research Division, responsible for the preparation of citizenship training manuals and data relating to ethnic and cultural groups, and the Information Division, responsible for the preparation and distribution of material to the foreign language press in Canada and to organizations and individuals requesting information of a general citizenship character.

Division heads are the following: Liaison, Dr. V.J. Kaye; Research, W.H. Agnew; Information, H.N. Lohead.

The Indian Affairs Branch directs the affairs of the Indian population on 91 agencies throughout Canada. It devotes particular attention to education -- 72 residential schools and 432 day-school classrooms are now in operation -- and to the provision of welfare services for the Indians. Modern methods of land usage and effective measures of fur conservation are taught to Indians dependent on farming and trapping for their livelihood.

ARMY PAY CORPS COURSE: A month-long course for members of the Royal Canadian Army Pay Corps from all parts of Canada will begin at Ottawa on Monday, February 20, it was announced on February 17 by Army Headquarters. First of its kind ever conducted, the course is designed to train personnel in the rules governing the operation of messes and canteens. It includes training in bookkeeping and auditing.

GOLD PRODUCTION: Canadian production of gold in November continued the uninterrupted monthly gains of previous months in 1949 over

1948, amounting to 361,311 fine ounces, 16 per cent above the November 1948 output of 311,399 fine ounces. Aggregate output for the first 11 months of 1949 rose to 3,739,166 fine ounces from 3,202,575 for the corresponding period of 1948, or by 17 per cent.

PRICE CONTROLS ON STEEL SCRAP WITHDRAWN: The Wartime Prices and Trade Board announced on February 14 that all price controls on steel scrap have been withdrawn effective February 15, 1950. This removes the last remaining commodity price control under the Wartime Prices and Trade Regulations.

A NEW BASIS FOR CANADIAN FORESTRY

ADDRESS BY THE MINISTER: The Minister of Resources and Development, Mr. Winters, spoke at the Annual Dinner of the Canadian Forestry Association in Montreal on February 16. After outlining the important position of the forest in Canada's economy he went on to discuss the newly enacted Canada Forestry Act, under which the federal Government is given authority to enter into agreements with the Provinces, corporations or individuals to develop and conserve forest resources.

The Minister outlined the scope of the Act in part as follows:

"...Those of us responsible for carrying out the provisions of the Canada Forestry Act do not forget that the Provinces are directly responsible for the administration and protection of their forest resources. The watch word under the new Act must be co-operation. Ottawa will make its most effective contribution by working out agreements with the Provinces covering the problems involved and by paying its share of the costs.

"Adequate protection against fire damage is the first requisite for the proper management of our forests. On the average about two million acres are burned annually, an area greater than one-seventh of the Province of Nova Scotia. Estimated values destroyed run to around 4 million dollars annually on the average. The merchantable timber burned equals one-half the yearly consumption of our pulp and paper industry. It has been conservatively estimated that in Canada the present rate of fire loss on productive forest lands is twice as high as could be tolerated for the practice of sustained yield forestry.

"The most urgent, practical and immediately beneficial steps to be taken would be in the form of co-operative agreements with the Provinces for the protection of their forests from fire. This is Objective Number 1 in the new programme.

"To achieve this objective it will be necessary to confer with the provincial forest authorities with a view to seeking agreement on the principles and policies involved and to working out the details by which co-operative

forest fire protection measures might be implemented. I am hopeful that the necessary agreements can be concluded with the Provinces to become operative in the current year.

"Under Section 6 (c) the Minister may enter into agreements with any persons providing for economic studies of forest resources or forest industries, forest research and demonstrations and the operation of forest products laboratories."

"What can be done under this Section? Incidentally it may be pointed out that the word 'persons' in this connection embraces individuals, corporations or associations.

"Most important is the provision for economic studies of our forest resources and forest industries, the significance of which cannot be over-stressed. We have already seen the pre-eminent position taken by these industries in our national economy. To maintain and improve this position continuous research is required, particularly in the economic field. On all sides we hear references to sustained yield and the part it must play in the future of Canada's forests. But up to the present the cost factors involved in management on a sustained yield basis have not been thoroughly analyzed. Yet a knowledge of costs, I think we all agree, is fundamental to the solution of this problem...."

"Sub-section C of Section 6 of the Act is not restricted to economic studies. Agreements may also be made between the Minister and 'persons', providing for forest research and demonstrations. If it is desired to conduct a silvicultural demonstration on the limits of a corporation or on a farm woodlot, if we wish to test out a new idea in forest fire protection or in the control of insects, if we wish to do anything under the broad wording of forest research and demonstrations, the Government now has the statutory authority to enter into the necessary agreements with the parties concerned. Thus it will be seen that the Canada Forestry Act establishes a strong, comprehensive and elastic legal foundation for federal co-operation and participation in the forestry field...."

ORDER DE BERNONVILLE DEPORTED: The deportation of Count Jacques de Bernonville was ordered on February 16 by the Board of Inquiry established in Montreal by the Immigration Branch in accordance with the Immigration Act to examine him as to his right to remain in Canada.

The decision of the Board has been appealed by de Bernonville.

The appeal will be considered by the Minister of Citizenship and Immigration upon receipt of the evidence which will be forwarded to Ottawa by the Board.

H.M.C.S. MAGNIFICENT, AT SEA FEB. 18: Two "enemy" aircraft were "shot down" Friday as a "hostile" force attempted to shadow the aircraft carrier Magnificent during exercises off the East Coast of North Carolina on the first leg of a two-month southern cruise.

The aircraft taking part in the exercise were all naval Fireflies of the 18th Carrier Air Group's 825 and 826 squadrons, but for the sake of realistic practice, a patrol of four planes circled over the ship to protect her against "enemy" attack. The air battle was recorded by camera guns.

MR. CHEVRIER ON TRANSPORTATION: "With our physical and geographical characteristics, our vast distances and comparatively small population. I believe it to be indisputable that the essence of our economic well-being is transportation," stated the Minister of Transport, Mr. Chevrier, speaking at a luncheon given by the Royal Montreal Curling Club during which he dealt with aviation, water transportation and railways.

In the Minister's opinion, aviation was rapidly becoming a well-established industry in Canada with relatively little assistance from the Government. "As knowledge of the science of aeronautics broadens, there is no doubt that aircraft will fill an increasingly important role as an agency of transport."

The rapid progress of civil aviation in Canada was indicated by the rise of operating revenues for all domestic air services from \$17,000,000 in 1945 to more than \$38,000,000 in 1949. Trans-Canada Airlines accounted for about 65 per cent of all domestic air revenues, and although it has experienced deficits the Minister was "hopeful that the extensive efforts which the company is devoting to increased efficiency and reduced costs, mean that it has now reached a turning point in the domestic picture." Canadian Pacific Airlines, which accounts for 17 per cent of domestic air revenues, had consolidated and standardized its operations within Canada to a point where "a deficit position has gradually been changed to a profit position in 1949".

INTERNATIONAL OPERATIONS

In terms of international operations, the Minister said that "our growth has been even more impressive than in the domestic field". He stated that "progress towards stable international air operations on a sound economic footing must of necessity be slow," and emphasized "that the Canadian Government was not seeking extensive expansion of international air service by Canadian air lines at the expense of the taxpayer." The services already established represent in our opinion, lines which are designed to serve our most important national interests and expansion will not be undertaken lightly."

With respect to Canadian ocean shipping, the Minister stated that it was the hope of Government that its shipping policy would ensure "that Canada had at her disposal adequate ocean-going shipping to meet her requirements in a time of war;" would "maintain the ownership and control of the present deep-sea fleet;" and would "keep about 1,600 seamen actively employed as a nucleus on which to enlarge in time of need."

The Government's shipping policy was calculated to "enable approximately 40 ships to be kept in operation under the Canadian Flag" and "envisages the transfer of about 65 vessels to United Kingdom registry."

CZECH PRESS ATTACKS CBC: The CBC announced on February 16 that the Soviet controlled Czech press has again attacked the CBC International Service. In an almost identically phrased article published in Prague, Brno and Ostrava newspapers, states the announcement, the Czech press claims that "the British and Canadian radio in their usual untruthful way have distorted the report about the expulsion of two employees of the military attaché of the Canadian Legation in Prague."

"This is undoubtedly a dictated official line and does not worry us, it is further proof that our broadcasts to Czechoslovakia are taken seriously and are monitored carefully."

"The Danko-Vanier incident was covered in our news transmissions in which we broadcast only the facts of the case," stated officials of the Voice of Canada after they had received the Czech press clippings.

When the two expelled Canadians were interviewed on their return to Ottawa, they told newsmen that CBC programmes were "much appreciated" by the Czech people.

Canada sends shortwave broadcasts to Czechoslovakia four times daily.

INDIAN HEALTH SERVICES: The Minister of National Health and Welfare, Mr. Martin, spoke in the Town of Sioux Lookout, in honour of the Official Opening of the new Indian Hospital, on February 17. The following are some excerpts from his review of Canada's Indian Health Services:

"Five years ago Canada's expenditures on the health of Indians and Eskimos totalled little over \$2,000,000. This present year they total \$10,700,000 - a five-fold increase in five years...."

"To discharge, on behalf of the people of Canada, this voluntarily accepted responsibility for the health of our Indians and Eskimos, we have a trained staff of 1,000 in Indian Health Services, including 60 medical officers, 5 dental surgeons, 65 graduate nurses in the field and 125 nurses in departmental hospitals...."

"A truly outstanding achievement - and one that is a good gauge of the quality of our health workers in the field - is that almost 75% of Canada's entire native population was given a chest X-ray in 1949. In the Sioux Lookout Agency the figure reached 90%. Our goal now is to check every individual, no matter how remote, at least once every two years."

"Tuberculosis among Indians and Eskimos is being brought under control. In addition, full-scale efforts are being made to prevent other communicable diseases such as diphtheria, whooping cough, smallpox, and typhoid-like diseases. Against these diseases our native population gets at least as good protection as that given any group in Canada...."

SOME SIGNIFICANT DEVELOPMENTS IN THE R.C.A.F.

MINISTER'S ADDRESS: The Minister of National Defence, Mr. Claxton, addressed No. 1 Radar and Communications Unit, R.C.A.F., at the Unit's Headquarters, in Montreal, on February 15. He lauded the work of the Unit, reviewed the contribution of Canadians to radar protection during the Second World War, and, in conclusion, gave what he described as "some significant developments in the R.C.A.F." His summarization was, in part, as follows:

"The bringing of No. 1 Radar Squadron to a strength of 490, successfully launches a new type of reserve unit.... In addition to the headquarters operational and training centre in Montreal, the unit has or is to have air control and warning detachments in Ste. Anne de Bellevue, Sherbrooke, Quebec, Shawinigan, Three Rivers and St. Johns.

"Montreal will be followed by other radar units, particularly in Halifax, Toronto and Vancouver.

"R.C.A.F. reserve activities which had heretofore been almost entirely concentrated on auxiliary squadrons will be broadened to include the formation of units for training a variety of key personnel in both technical and administrative trades.

"Of the 11 squadrons authorized, 10 are in active operation and the 11th will become active this year. Good progress is being made with recruiting of air crew and ground crew as well as with training....

"It would serve no good purpose to publish locations either of existing or projected radar sites. All publicity tending to reveal

such information must be of value to any prospective enemy whose planes, knowing the areas in which to expect radar detection, could choose a route calculated to postpone that detection as long as possible, and achieve the advantage of surprise.

"Extensions of the kind described will have to be geared to provision of accommodation and equipment.

"The twin-engine jet all-weather fighter, the CF-100, being flight-tested at Malton, is the most powerful fighter known, with range and navigational instruments specially designed to meet Canadian conditions, and this aircraft may put Canada ahead of any nation in meeting similar requirements. Even in advance of testing, a pre-production order has been placed to provide for tooling and the manufacture of parts.

"Work is proceeding satisfactorily on the order of 100 F-86A's being built by Canadair Limited.

"The production of these two military types and the jet transport, taken with the production of three types of conventional planes and considerable activities in several plants, supports essential air industry in Canada.

"To supplement the radar equipment of the last war, orders have been placed with Canadian industries for new equipment of the latest and most powerful types.

"Canada's emphasis on Air Force is shown by the proportion of the money appropriated for the three services spent on air as follows: U.K. 29%; France 30%; U.S. 34%; Canada 42.6%."

FOREIGN EXCHANGE LAW INFRACTIONS: Fines and forfeitures totalling \$90,397 were imposed for infractions of Foreign Exchange Control regulations during the year 1949 it was announced on February 15. The total included 1,065 seizures of \$100 and under made by customs officials and 32 by R.C.M.P. personnel, amounting to \$33,726. Nine seizures totalling \$18,882 were the subject of actions in the Exchequer Court, which deals with all seizures of over \$100. In eight cases the Court ordered forfeiture of the goods or currency involved. One action was dismissed.

A total of 206 men and women were charged with offences under the Foreign Exchange Control Act and 201 convictions were obtained. Thirty-eight women and 163 men were fined a total of \$37,943 for various offences involving foreign exchange.

Of the 201 convictions registered during the year, 164 involved attempts to evade travel restrictions. One hundred and three cases involved attempts to take more currency across the border than allowed by law or shown on travel permits. Forty-one men and women were convicted on charges of purchasing more

than the amounts authorized for pleasure travel.

MR. CHEVRIER ON RAILWAY OUTLOOK: "Forthcoming developments which will take place in Canada in the next 15 years are more than sufficient to ensure a healthy rail situation," according to the Minister of Transport, Mr. Chevrier. Addressing members of the Board of Trade Club of Toronto on February 20 he urged them to "think seriously of the problems of transportation with a view to rectifying the unsatisfactory trend which has developed in recent years".

The Minister pointed out that "Canada has grown industrially by leaps and bounds in the last ten or so years," and that during that time industrial production had more than trebled and the number of industrial plants had increased from 24,800 to 32,700. He listed the St. Lawrence Deep Waterway project, the Quebec-Labrador and the Steep Rock iron ore deposits, mineral discoveries in Quebec and Manitoba and development of the oil fields in Alberta, as potential creators of traffic for the railway transportation industry.

WHEAT BOARD REPORT: The Acting Minister of Trade and Commerce, Mr. MacKinnon, issued the following press release summarizing the Annual Report of the Canadian Wheat Board, crop year 1948/49, which was tabled in the House of Commons on February 21:

During the crop year 1948/49 Board receipts of wheat amounted to 293.0 million bushels, all of which was sold or committed for sale prior to the harvesting of the 1949 crop.

The Board Report refers to some difficulty in selling Canadian wheat in the winter and early spring of 1948-49, but states that demand improved considerably in the final quarter of the crop year.

The world wheat situation in 1948-49 reflected:

- (a) Increased production of wheat in Europe, with yields approaching pre-war levels;
- (b) Ample wheat supplies available in exporting countries;
- (c) The intensity of United States competition, particularly in Continental Europe where large quantities of U.S. wheat were imported under E.C.A. financing;
- (d) Increasing difficulties in financing international trade.

During the first four years of the Five-year Pool, Board receipts of wheat amounted to 1,115,397,588 bushels. Of this quantity of wheat, 1,068,594,279 bushels had been sold as at July 31, 1949, leaving a balance of 46,803,308 bushels in inventory as at that date. This inventory consisted largely of wheat which had been committed for delivery after July 31, 1949.

The cost of wheat acquired by the Board in the four years ending July 31, 1949 was \$1,907,177,178.99 while sales for the same period amounted to \$1,835,982,298.15 of which \$1,823,982,298.15 was applicable to the Five-year Pool and \$12,000,000 to the 1944 Crop Account. Inventory of 46,803,308 bushels on July 31, 1949 was valued at \$93,200,829.48.

For the four years from August 1, 1945 to July 31, 1949, the Board's operating costs applicable to producers' wheat, including storage costs, interest and other expenses, amounted to \$46,037,726.56. Of these operating costs the Board recovered \$30,796,156.55, mainly in carrying charges (storage and interest) on domestic wheat and wheat for the United Kingdom. Administrative and general expenses, exclusive of adjustment payment costs, amounted to \$3,847,809.07, or .3449 cent per bushel on the total wheat acquired.

On April 1, 1949 the Board's initial price was increased from \$1.55 per bushel to \$1.75 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This increase in the Board's initial price was retroactive to August 1, 1945 and involved the distribution of \$213,445,541.88 to producers

delivering wheat to the Board between August 1, 1945 and March 31, 1949. After providing in full for this payment, the Board had an operating deficit of \$5,235,621.37 in the Five-year Pool as at July 31, 1949. It was apparent that such a deficit in the five-year pool would be overcome in the present crop year which is the final year of the pool, because the initial payment had been set at \$1.75 and sales to the United Kingdom and the Domestic market were firm at \$2.00 per bushel plus carrying charges....

UNEMPLOYMENT STATEMENT: On February 2, 1950, there were 375,600 persons seeking work through National Employment Service Offices, 120,000 more than a year ago. The current figure represents 7.4 per cent of the present Canadian labour force of about 5,100,000, the Department of Labour announced on February 17.

It is estimated that there are at least 10,000 persons in this total who already have jobs but who have registered in the hope of improving their position. There are, however, some unemployed persons who are not registered with the N.E.S. These include a proportion of those who have exhausted their unemployment insurance benefit rights or who have failed to qualify, and unemployed persons in the non-insured categories, the statement continues.

Of the job seekers registered with the National Employment Service, a higher proportion is in a position to claim and receive unemployment insurance benefits than was the case last year. It is estimated that 85 per cent of all unplaced applicants were either receiving benefits or waiting for their claims to be processed. Benefit payments during January totalled \$11,780,000.

According to the U.S. Census Bureau, unemployment in the United States during the second week of January reached 4,500,000 or 7.2 per cent of the estimated civilian labour force of 61,400,000. The number of persons out of work increased by almost 1,000,000 from the previous month. These unemployment statistics for the U.S. are not entirely comparable to Canadian figures on the number of persons registered for work at N.E.S. offices. According to the same definition of unemployment, the Canadian percentage would tend to be somewhat lower.

The current Canadian unemployment situation is in a large measure temporary. Unfavourable weather, particularly in British Columbia, and a more pronounced seasonal decline in construction, transportation and trade are the main factors responsible for the increase in the number of persons looking for jobs during January and early February. High log inventories have also contributed to lower employment in the woods in Eastern Canada this year.

Speaking after Mr. Drew, but before Mr. Coldwell, the Prime Minister answered seriatim the points of the Progressive Conservative proposed amendment. He said that current unemployment was largely seasonal; that Canada now had the largest labour force in history, totalling more than five million men and women; and discussed at length the factors enabling Canada to maintain "such an exceptionally favourable position" in the face of present world difficulties, Canada's gains, he said, were striking in themselves, and striking in comparison with what had happened in other countries.

"The economic outlook for 1950," he said, "is one of continuing general buoyancy, but with an increasing number of special industrial and associated area problems... The forecast this year is for a gross national product of about \$16.25 billion, as compared with the record hitherto of \$16 billion in 1949."

He said that a word of warning should be sounded about the effectiveness of a public works programme as a cure-all for unemployment. Such a programme necessarily operated through the construction industry. Ever since 1945 that industry had enjoyed a high level of activity, and indications were that private enterprise would keep it very active throughout the whole of 1950. Any unnecessary competition by the Government with private enterprise for available supplies and available skilled labour would not appear to be very helpful in increasing over-all employment in that industry.

Touching on the points of Mr. Drew's proposed amendment, he said that there had been no change in the attitude of the Government to old age pensions. He had said that contributory old age pensions, like health insurance, required an agreement with the Provinces, and so far it had not been possible to reach such an agreement. Another conference with the provincial authorities was to take place early in the fall. He announced that the House would be asked to set up a committee to look at all aspects of the problem. He thought the only practical way in which an old age pensions scheme without a means test would be provided for, was through a direct contributory system.

Dealing with the fourth item of the proposed amendment, the Prime Minister read the following published statement made by the Minister of Justice on the subject of espionage:

"In considering our security position now and what it might be in the event of another world war we can reach certain conclusions from what has happened in other countries, and from the attitudes of some of our own citizens and residents in Canada itself. In several countries, espionage, infiltration, sabotage and fomenting of discontent and disaffection, the staging of coups d'état have been used as weapons of war. In our own country we have those who have given repeated demonstration of their unsympathetic and disloyal attitude

towards our institutions and our form of government.

'Those of us who have some share of responsibility for security take cognizance of these and other facts and have already taken measures to guard against them. But just as those who plot against the security of Canada do not discuss their plans in the forum or from the house-tops, so we who prepare counter-measures to frustrate their plot could make few greater mistakes than to specify and advertise what we have done and what we are prepared to do. To follow this course would transform our security measures into their very opposite.'

He proceeded: "With respect to communist activities, in our understanding, measures are other things than mere words, and we think that actions speak louder than words. When action was required, action was taken; and I was obliged to submit to fairly severe criticism from the other side of the house for the action that was taken. I did not regret it then and I do not regret it now. But when action requires to be taken, we think that we shall have the courage, as we had then, to take it and to carry it to its full implementation."

The Leader of the Social Credit Party, Solon E. Low, Peace River, was the fourth party leader to speak in the debate. He urged the adoption of his party's financial theories as a means of increasing purchasing power.

DELEGATES TO ILO CONFERENCE: The Minister of Labour, on February 16 released the names of Canada's delegates to an International Conference of Experts on Pneumoconiosis, called by the International Labour Organization and meeting in Sydney, Australia, from February 28 to March 11.

The Canadian delegates will be C.A.L. Murchison of Ottawa, Commissioner, the Unemployment Insurance Commission, Dr. G.R. Davison of Edmonton, Department of Public Health of Alberta, and Dr. C.H. Vrooman, Medical Referee for Silicosis of the Workmen's Compensation Board, Vancouver.

Mr. Murchison will go to the conference from New Zealand, where he has been attending a session of the I.L.O. Committee of Social Security Experts.

The purpose of the conference is to discuss the fight against occupational diseases caused by the inhalation of dust. It will be attended by expert delegates from eleven countries, as well as by five international experts nominated by the I.L.O.

MR. PEARSON ON THE FAR EAST: The Secretary of State for External Affairs, Mr. Pearson, in the House of Commons, on February 22, spoke at considerable length on the Far Eastern situation. Full report of his remarks will be carried in next week's Bulletin.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON THE FAR EAST: The Secretary of State for External Affairs, Mr. Pearson, spoke in the House of Commons on February 22 on the Commonwealth Conference in Ceylon, (which he attended with the Minister of Fisheries, Mr. Mayhew) and on the situation in the Far East.

The agenda at Ceylon was short, and the subjects set down for consideration very broad, he said. The agenda included the following questions: the general international situation, the Chinese situation, the Japanese peace treaty, the situation in southeast Asia, and the situation in Europe, more particularly the development towards European political and economic union, and the effect of such development on the Commonwealth of Nations. Nothing spectacular developed from these discussions, he said, nor was anything spectacular intended. They resulted in recommendations to Governments for the consideration of those Governments.

He proceeded, in part: "Though we all had our own point of view, a discussion of this kind helps to correct the inevitable distortions in our thinking which may arise, in the case of Canada, for instance, because we have traditionally looked on the world from the North Atlantic, North American viewpoint of a people whose civilization for the most part comes from that of western European Christendom.

"The fact that the discussions were held at Ceylon was particularly valuable at this time, because, as I see it, the centre of gravity in international affairs has, to some extent, at least, moved to Asia. What I mean by that is simply this: In my view the advance of Russian communist imperialism has been stopped in Europe, at least for the time being. It has not been stopped in Asia, where it is now trying desperately to win power over those millions of people, by allying itself with forces of national liberation and social reform...."

He added a moment later: "At the present time the countries of south and southeast Asia are making impressive efforts toward the establishment of strong modern nation states, and we of the western world should do what we can to encourage and to assist these efforts. This surge of nationalism in Asia has resulted in political independence for twelve--and if you include the three states of Indo-China--for fifteen Asian states in less than twenty-five years. The political danger from this is that, exploiting this movement, communist expansionism may now spill over into southeast Asia as well as into the Middle East. In my opinion there is no more important question before the world today than this possibility...."

Mr. Pearson said that the Colombo Conference agreed that the forces of totalitarian

CANADA, U.S., NETHERLANDS NAVAL EXERCISE

ANTI-SUBMARINE AND AIR DEFENCE: United States Atlantic Fleet ships and aircraft will combine with units of the British, Canadian and Netherlands fleets for anti-submarine and air defence exercises in the Caribbean about the middle of March, it was announced simultaneously in Ottawa and Washington on February 22.

The combined British, Canadian and United States manoeuvres, designated Caribex, will extend through the Antilles as far north as Charleston, South Carolina.

Combined Netherlands - United States exercises, which are not a part of Caribex, will be held concurrently in the Guantanamo Bay, Cuba, operating area.

In the first phase of Caribex, the first striking force, composed of the carriers USS Philippine Sea, USS Leyte and USS Wright, with three cruisers and 16 destroyers, will make a passage from a point west of Martinique to a point south of Guantanamo Bay.

This force, supported by the hunter-killer force and the air reconnaissance force, will be opposed by 11 United States Navy submarines and the second striking force, composed of the Canadian light fleet carrier HMCS Magnificent, the Canadian destroyer HMCS Micmac, the British cruiser HMS Glasgow, and the two British sloops HMS Snipe and HMS Sparrow.

The hunter-killer force will include two United States escort carriers, USS Palau and USS Mindoro, 15 destroyer types and two land-based aircraft squadrons. The air reconnais-

sance force will be made up of 10 patrol bomber squadrons supported by two seaplane tenders.

In the latter part of the first phase of Caribex, the United States carrier striking force will join the British-Canadian striking force in making a simulated air strike against the naval operating base, Guantanamo Bay. Following the air strikes, the two forces will join the hunter-killer force for anti-aircraft gunnery practice.

Before beginning the second phase of Caribex, the ships will fuel at sea and simulate replenishing stores and ammunition at sea.

The large carrier USS Franklin D. Roosevelt and eight destroyer types, which will have completed separate operations with the Netherlands forces in the Guantanamo Bay area, will rejoin Caribex for the second phase of the exercise. The Netherlands forces, consisting of the light fleet carrier H.N.M.S. Karel Doorman, the anti-aircraft cruiser H.N.M.S. Jacob Van Heemskerck and the sloop H.N.M.S. John Maurits Van Nassau, will continue on their spring training cruise.

During the second phase of Caribex, the striking forces and the fuelling and replenishing ships will attempt a passage from the Antilles to a point just off Charleston, South Carolina, while under air attack by the patrol bombers and opposed by the 11 submarines.

The United States striking force and the British-Canadian striking force will also conduct air strikes against each other.

BOOKLET ON NEWFOUNDLAND: A booklet on Newfoundland, entitled "Newfoundland - Canada's New Province", will be published in March, 1950, under the authority of the Minister of Trade and Commerce.

The text of the booklet was prepared in the Department of External Affairs, a chapter on physical geography and several maps were contributed by the Geographical Bureau (now the Geographical Branch of the Department of Mines and Technical Surveys), and statistics were supplied by the Bureau of Statistics, which also undertook, in collaboration with the Department of External Affairs, the task of editing and preparing the booklet for publication.

In format the book is similar to "Canada 1949", with page-size 5½ x 8½ inches. About one quarter of the space is taken up with pictures, including three pages of colour scenes of Newfoundland. There are six maps of the Island - location, relief, geological, dot population, road and fisheries - in addition to a colour map of Canada. An Appendix lists source material on Newfoundland, including Labrador.

DISCUSS WINDSOR AIRPORT The proposal for an airport at Windsor, Ontario, to serve the metropolitan area of Detroit and Windsor, was discussed on February 22 in Ottawa at an informal meeting of Canadian and United States officials. This meeting was suggested by the United States Government and was purely exploratory in nature.

It was agreed that the proposal warranted further consideration but that additional detailed studies were necessary before decisions could be reached. Joint studies will be made immediately of the problems involved, including the organization, finance, location and administration of the proposed airport.

It is expected that further informal meetings will take place to consider the results of these studies.

Representatives from the United States included: Mr. Martin L. Leacock, Assistant Attorney General, State of Michigan; Mr. Walter E. Vashak, Assistant Corporation Counsel, City of Detroit; Mr. E. V. Fryhoff, Director, Detroit Metropolitan Aviation Authority; Mr. C. V. Burnett, Manager, City of Detroit Airport.

AMBASSADOR TO PERU: The Secretary of State for External Affairs, Mr. Pearson, announced on February 24 the appointment of Mr. Emile Vaillancourt as Ambassador Extraordinary and Plenipotentiary of Canada to Peru. He succeeds Mr. J.A. Strong who was appointed in June, 1947.

Mr. Vaillancourt was born in Montreal in 1889, and studied classics at College Sainte-Marie, Montreal. He devoted many years to the development of Canadian tourism. Mr. Vaillancourt was the first Director General of Tourism of the Province of Quebec, and was manager of the Montreal Tourist and Convention Bureau. He was also Director of the Quebec Division of the Health League of Canada.

A former alderman of the City of Outremont, Mr. Vaillancourt is Honorary Lieutenant-Colonel of the Canadian Officers Training Corps, University of Montreal Contingent. He is the author of many works on Canadian History, international politics, archaeology and genealogy. He was appointed Canada's first Envoy Extraordinary and Minister Plenipotentiary to the Republic of Cuba in 1945 and became Minister to Yugoslavia in 1947.

Mr. Vaillancourt will take up his new duties some time during the next three months.

ILO EXPERTS ON SOCIAL SECURITY: The social insurance experts of 12 nations on February 23, adjourned their conference after reaching agreement on a questionnaire to be sent to 60 member countries of the International Labour Organization concerning a new world social security code.

The 17 experts, including administrators of some of the world's largest government insurance schemes, will ask the ILO's Governing Body when it meets in Geneva, March 8, to approve the questionnaire.

They wish to revise existing ILO social security conventions and recommendations and to provide world minimum standards for countries in the initial process of introducing new social insurance schemes, with higher standards later available for the more advanced countries.

The subject is on the agenda of the 1951 I.L.O. Conference.

The group also urged arrangements for training of social security administrators, creation of an ILO social security periodical, and adjustment of social security benefits to the cost of living.

The members also discussed social security for agricultural workers and the development of social security schemes by co-operatives and mutual benefit societies.

TOBACCO REFERENCE PAPER: The Bureau of Statistics has released a reference paper entitled "Historical Series of Tobacco Statistics" bringing up to 1948 inclusive the stat-

istical data relative to tobacco production, manufacture and trade presented in the "Statistical Handbook of Canadian Tobacco" prepared with the co-operation of the Tobacco Division, Central Experimental Farm, and published in 1947.

WAGE RATES UP 105.9 P.C.: Current issue of the Labour Gazette carries an analysis of the three main divisions of the clothing industry, revealing that wage rates in the industry in Canada had increased by 105.9 per cent in the period from 1939 to 1948. The analysis is based on the results of a survey conducted by the Economics and Research Branch of the Department of Labour.

The largest annual increases during the period in question occurred in 1941 and 1946. In both these years, the annual increase amounted to more than 12 per cent over the preceding year. In 1948, the advance recorded over 1947 was 8.7 per cent. The survey covered 182 establishments employing 18,700 factory workers.

FARM CROP VALUE \$1,420,000,000: The gross dollar value of the principal field crops produced last year on Canadian farms (excluding Newfoundland) is now placed by the Bureau of Statistics at \$1,420,000,000, down \$265,000,000 or 16 per cent from the all-time record value of \$1,685,000,000 in 1948. Lower values were shown for most of the principal field crops. Decreases were also recorded for seven provinces, one being higher and one unchanged.

The value of the wheat crop was down to \$566,000,000 from \$612,000,000 in 1948, oats to \$205,000,000 from \$255,000,000, barley to \$102,000,000 from \$150,000,000, hay and clover to \$223,000,000 from \$255,000,000, potatoes to \$83,000,000 from \$92,000,000, mixed grains to \$53,000,000 from \$60,000,000, and flaxseed to \$8,000,000 from \$67,000,000.

The value of the alfalfa crop rose to \$54,000,000 from \$51,000,000, fodder corn to \$35,000,000 from \$29,000,000, shelled corn to \$17,000,000 from \$16,000,000, and soybeans to \$6,000,000 from \$4,000,000. Field roots at \$22,000,000 and sugar beets at \$9,000,000 were unchanged. All other field crops were lower.

Among the provinces the largest decline in gross value from 1948 was shown in Alberta, where the value of crops was down \$101,000,000. The decrease in Saskatchewan was \$69,000,000, Manitoba \$41,000,000, and Ontario \$34,000,000.

Saskatchewan's crop value -- largest among the provinces -- was \$370,000,000 as compared with \$439,000,000 in 1948, followed by Ontario at \$344,000,000 against \$378,000,000, Alberta \$239,000,000 against \$340,000,000, Quebec \$183,000,000 against \$196,000,000, and Manitoba \$172,000,000 against \$213,000,000.

GENERAL MCNAUGHTON ON "NORTH AMERICAN DEFENCE"

GEOGRAPHICAL SOCIETY ADDRESS: It is not on mere numbers in the armed forces that Canada and the United States depend for defence against any possible aggression, but on "quality" forces and "quality" weapons and equipment, General A.G.L. McNaughton, former head of Canada's Delegation to the United Nations, said in an address to the Canadian Geographical Society, Ottawa, at the Society's 21st Annual General Meeting on February 24.

He sketched at length the history of relations between Canada and the United States. They were not always amicable, nor was there always complete understanding. Only in recent years was there mutual concern for one another's security. Transition from the negative to the positive association in defence came, in his opinion, with the statement, in August, 1938, by President Roosevelt, that the United States would not stand idly by if domination of Canadian soil were threatened, and the reciprocal reply of the then Prime Minister, Mr. King.

COMBINATION OF FORCES

"Having regard to the potential military and industrial strengths of the countries of the world as they exist today and as they may reasonably be projected some years into the future, it is clear that the only possible source of trouble which could threaten the safety of North America would be some combination of forces in Europe and Asia which had extended its dominance to the oceans to the west, to the east, and to the north", General McNaughton said. "As matters stand, such a consolidation of power in Europe and Asia does not as yet exist, but there is evidence -- convincing evidence -- that such a consolidation is within the thought of some of those who are concerned in the policy of the Soviet Union as a course of action which might be undertaken when circumstances become propitious.

"By this those who hold these views might envisage their attainment to the possession of such advantages as the possession of large numbers of atomic bombs or other weapons of mass destruction; the weakening of the United States or of Great Britain or of France or other of the democratic countries through political disturbances, financial depression, unemployment, or otherwise; or, more probably, the improvement of the Soviet power relative to the rest of the world by reason of quarrels and disputes between nations which would bring turmoil and distraction in vital areas such as the Eastern Mediterranean.

"The stated policy of the Government of Canada is to do everything possible through the United Nations to settle disputes between nations and in association with others of like mind to create an effective deterrent to at-

tack. The aim is thus to prevent the outbreak of another world war, or failing this, should war come, to ensure that we and our potential allies are in a position to win and win quickly....

"Behind these priceless human and moral resources which are notable characteristics of the people of the Atlantic Region, the United States and Canada between them in North America possess the most comprehensive mass production industry in the world. We are particularly fortunate that if we have to meet an emergency, we start from the satisfactory position that in the standards, in the methods and in the techniques of industry there is wide interchangeability between us....

"It is not on numbers in the armed forces that we in North America depend for defence against any possible aggression, though these must be sufficient. We depend in fact on the more highly skilled and perfectly equipped forces by sea and land and in the air which our special advantages make possible -- hard hitting forces which can be mobile, far reaching, long enduring, and as matters stand, decisive in their power against any aggressor.

ON 'QUALITY' FORCES

"It is clear that if we are ever attacked, it is on 'quality' forces and on 'quality' weapons and equipment that we should place reliance. It is important that this be well remembered down the years and particularly by those entrusted with the conduct of negotiations for reductions in world armaments.

"I think that in the period between World War I and World War II, both in Canada and in the United States, we learned the bitter lesson that unilateral disarmament is a delusion -- a very expensive delusion that brought us very near to disaster and that cost us very dear in the lives of our young people. Just such a bitter delusion would be the surrender of any of the special weapons of great power, with which I include those based on atomic energy, until we have acceptable assurance through mutually applicable safeguards and an effective international system of inspection and control which carries our confidence that they, or their like, will not be used against us.

"On the contrary as the situation stands it is of the first importance that we give our closest attention and maximum effort to extending the margin of superiority which we now possess in these special weapons and in facilities for their manufacture and in insuring that we shall be able to use them effectively should the occasion require.

"In these matters, the advantage of safeguards now possessed by the people of North America is not something which we could retain if we ceased to progress...."

(Continued from P. 1)

expansion could not be stopped in south and southeast Asia by military force alone. If this area were not to be conquered by Communism, the free democratic world, including the Asian states themselves which are free, "must demonstrate that it is we, and not the Russians, who stand for national liberation and economic and social progress."

On the question of the recognition of the Peiping Government of China, he said in part: "This whole question of (its) recognition is now before the Government, which is giving it active consideration in the light, among other things, of the report that I have made to the Government, on our recent discussions in the Far East. At the moment I can say no more than that on this question."

As a result of talks with General Douglas MacArthur Mr. Pearson was more impressed than ever with the need for seizing every opportunity that might lead to a satisfactory early settlement with Japan. On that subject he said, in part:

"Perhaps this prolonged occupation period will have served a purpose in enabling us to acquire a better perspective on the type of peace treaty we should make with Japan, which will, we hope, be a lasting one; one that would be bitterly opposed as unjust by the Japanese people. We know the damage to peace and security that such a punitive peace treaty can cause. I am persuaded myself that, from here on, the disadvantages involved in military occupation, of which I have spoken before, will outweigh the advantages, and that a point of diminishing returns has been reached, if not passed. Therefore I hope that all Governments interested in a peace settlement with Japan will not overlook any opportunity to further this end, even if—and this would certainly be an undesirable alternative, a second best—we had to have a peace conference with some powers absent because they refused to accept reasonable conditions for participation on which all other powers were agreed...."

Mr. Pearson touched on the European situation and read excerpts from a statement sub-

mitted at the Conference by the Canadian Delegation, in which Canada welcomed the prospect of closer economic co-operation between the countries of Western Europe, but feared that "some of the proposals made recently seem ... to be as likely to encourage the development of new high cost industries and increased high-cost agricultural production in Europe, as to lead to the objectives of greater efficiency and lower costs and prices at which they purport to be aiming."

During the Conference there were also economic and financial talks among officials of the Delegations represented there.

After the Conference, Mr. Pearson said, Mr. Mayhew and he, with their officials, visited a number of countries in the Far East.

"On this aspect of our journey I hope my colleague the Minister of Fisheries will report later in this debate in more detail," said Mr. Pearson. "On our journey every effort was taken to explore the possibility of increasing and expanding Canadian trade with the countries visited. Without exception, wherever we went we found not only a great friendship but a lively interest in achieving that objective of greater trade.

"In Tokyo, for instance, we had one discussion with General MacArthur devoted exclusively to trade matters, and he expressed his great desire to do what he could to increase Canadian-Japanese trade. He added... that there was no desire in Japan to indulge in commercial chicanery of the kind that disturbed us in Canada so much in the years before the war. He went on to say, and I hope he is correct, that we now had a guarantee against dumping by Japan in the removal of government subsidies on the one hand and the building up of the trade union movement, with protected wages, on the other. Therefore he considered that Canada need not fear in the future the menace of Japanese trade of the pre-war variety, but could rather look forward to trade built on a sound basis of mutual benefit. I told him that was the kind of trade, and indeed the only kind, in which we were interested...."

1949 WHOLESALE SALES UP: Sales of wholesalers in nine lines of trade showed an overall increase of three per cent in 1949 over the preceding year, while the value of year-end inventories was down 1.4 per cent. In December, sales were up one per cent over the same month of 1948, but down 14 per cent from November. The general unadjusted index of sales in December, on the base 1935-49=100, was 263.3 compared with 306.7 in November and 259.9 in December, 1948.

USING MORE DOMESTIC PETROLEUM: Domestic sources are accounting for an increasing proportion of the crude petroleum consumed in Canada. Of the total receipts at refineries in

September, 22.6 per cent came from Canadian oil fields as against 12.4 per cent in the corresponding month of 1948, while in the first nine months of the year the percentage was 20.9 as compared with 12.8 in the similar period of 1948.

BORDER VEHICLE TRAFFIC: Foreign vehicles entering Canada on traveller's vehicle permits increased 11 per cent in January this year, numbering 36,193 as compared with 32,590 in the corresponding month last year. All provinces reported gains except British Columbia where many highways were closed by heavy storms. A decline was also shown for the Yukon Territory.

NIAGARA DIVERSION TREATY SIGNED WITH U.S.

MORE WATER FOR POWER: The following is the text of the announcement, made in the House of Commons on February 27 by the Secretary of State for External Affairs, Mr. Pearson, on the signing with the United States of the Niagara Diversion Treaty:

"We have been discussing with the United States Government, at their suggestion, the possibility of amending Article V of the Boundary Waters Treaty of 1909 with respect to the use of water from the Niagara River for the generation of hydro-electric power. In these talks we have had the valuable assistance of the Chairman of the Hydro Electric Power Commission of Ontario and the Chairman of the Niagara Parks Commission. The discussions have resulted in a Niagara Diversion Treaty. I am able to announce that this Treaty is being signed today in Washington by the United States Secretary of State, the Honourable Dean Acheson, and the Canadian Ambassador, Mr. Hume Wrong. I should like to table copies of the treaty in English and French.

"The Boundary Waters Treaty of 1909 authorized the diversion by the United States of 20,000 cubic feet of water per second, and the diversion by Canada of 36,000 cubic feet per second. Although Canada was thus allowed to use more water than the United States, the power produced by the extra Canadian share has been exported to the United States. As a result each country has had the use of hydro-electric power produced by approximately half of the water made available by the 1909 Treaty.

"During the Second World War additional diversions of 13,000 cubic feet per second on the Canadian side, and 12,500 cubic feet per second on the United States side were authorized on a temporary basis.

"The new Niagara Treaty reserves adequate quantities of water for flow over the Falls and through the Rapids, and then authorizes the use of all remaining water for power purposes. Since this water will for the first time be divided equally between the two countries, the United States Government is being informed through our Embassy in Washington that when facilities have been constructed in the United States to use the full United States share of water, Canadian export licenses

then in effect will not be renewed unless circumstances existing in Canada at that time make such a course desirable.

"It is not possible to say just how much more water this Treaty will make available to Canada, since the necessity of preserving the scenic beauty of the Falls and Rapids is the first charge on the fluctuating volume of water in the Niagara River. However, it is expected that both countries will normally have the use of more water than before. At the same time, the fact that the temporary arrangements agreed upon during the war are being superseded by a permanent agreement will permit the construction of new power plants of the latest design to replace a number of existing plants now in operation, which cannot make the most effective use of the available water. For these two reasons, a substantial increase in the amount of hydro-electric power generated at Niagara can be expected once this Treaty has been ratified and the new power plants have been constructed.

"Nevertheless the demand for power keeps increasing, and this additional Niagara power cannot be expected to meet the full needs of Ontario and New York State. The power requirements of these areas can only be met by the full development of the potential power of the St. Lawrence River. The additional Niagara power should help to tide us over the period required for the construction of the St. Lawrence facilities, but the need for St. Lawrence power is as urgent as it ever has been. The new Niagara Diversion Treaty does not in any way lessen Canada's interest in, and desire for, early ratification by both governments of the St. Lawrence Waterway and Power Agreement of 1941.

"The Treaty contains two provisions designed to protect and enhance the scenic beauty of the Niagara River and Falls. It calls for early completion of remedial works to ensure an unbroken crestline on the Falls by distributing the waters more evenly. It also ensures that the flow over the Falls and through the Rapids will not be reduced below the amounts which experience has shown are essential for the preservation of the full scenic spectacle...."

\$42,000,000 MORE FOR DEFENCE: The Minister of Finance, Mr. Abbott, presented to Parliament, on February 24, the Estimates for the fiscal year ending March 31, 1951. The total is \$2,308 million as compared with \$2,335 million last year. He expected that Supplementary Estimates this year would be considerably less than the \$63 million brought in last fall.

After noting that the biggest increase shown for any department was that for Health and Welfare, Mr. Abbott spoke, in part, as follows:

"The next largest increase, and the one that is the major development of policy reflected in these Estimates, is the \$42 million increase provided for defence -- raising the defence expenditures from \$383 million this current year to an estimate of \$425 million next year. This, of course, reflects the Government's decisions as to what forces, equipment, and activities are now necessary for defence in the light of the international situation and our position in the North Atlantic Alliance. This total for defence will in-

clude now substantial payments for new aircraft, ships, radar equipment, and weapons of various kinds, as well as the construction of buildings and bases to replace or supplement those left from the war. To provide this increase for Defence and that for Health and Welfare within what the Government has regarded as a reasonable total of expenditure has involved a severe scrutiny of all other expenditures and the elimination of all that appeared of doubtful necessity at this time...."

COMBINES COMMISSIONER: The Minister of Justice, Mr. Garson, in the House of Commons, on February 24, announced the appointment of Thomas D. MacDonald, K.C., as Commissioner under the Combines Investigation Act. Mr. Garson said:

"I should like to announce the appointment of Mr. Thomas D. MacDonald, K.C., as Commissioner under the Combines Investigation Act. Mr. MacDonald graduated from Dalhousie University in Arts in 1931, in Law in 1933, and immediately entered the Department of the Attorney General of Nova Scotia. In seven years he had risen to become the head of the Department as Deputy Attorney General in 1940, and except for a period of war service he occupied that position continuously until 1949, when, in April, he resigned to accept a position with the federal Department of Justice, as Superintendent of Bankruptcy, and also as counsel. In that post he served until he accepted the present position.

ARMY "TASTING TESTS": Fifty men picked at random from office staffs at Army Headquarters began a week-long series of "tasting tests" of the Army's new Ten-Man Arctic Ration Pack in the Drill Hall, Ottawa, on February 27.

Their reactions to a wide range of packaged and tinned foods will help military researchers and scientists decide whether or not the rations are satisfactory and adequate for field use. More complete tests over longer periods to determine the soldiers' physical and mental attitude towards the rations are being conducted on various field exercises this winter.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on February 16 amounted to 149,409,800 bushels as compared with 151,763,700 on February 9, and 149,546,000 on the corresponding date last year. Farmers in the Prairie Provinces marketed 2,201,300 bushels of wheat during the week ending February 16, sharply above last year's figure of 739,200. This brought marketings for the crop year to date to 248,357,600 bushels as against 245,586,400 in the like period of the preceding crop year.

CANADA AT THE UN: The Economic and Social Council of the United Nations, on February 20, took up consideration of the report issued in December recommending various national and international programmes to maintain full employment.

Raymond Eudes (Canada), said his Delegation had always maintained a "vivid and continuing" interest in questions of employment and economic stability, the UN Press Bureau reported. The experts' report on "National and International Measures to Achieve Full Employment" and the comments of the Economic and Employment Commission on the experts' report, he added, constituted a very useful stage in the consideration of this problem.

He observed that the "excellent" report was the best possible commentary on the validity of the expert method for obtaining studies and reports as opposed to the less satisfactory instrument offered by the two sub-commissions of the Economic and Employment Commission.

Mr. Eudes said his Delegation agreed "wholeheartedly" that ample time must be allowed for Governments and others concerned to examine thoroughly the theoretical analysis, the conclusions, and the concrete proposals of the experts.

GUIDING PRINCIPLES APPROVED

Mr. Eudes indicated some "preliminary" reactions of his Government to certain aspects of the experts' report. He said that Canada approved the guiding principles which the experts considered fundamental to formulation of sound recommendations and agreed "wholeheartedly" with the emphasis the experts had given to such matters as the need "to remove the present structural imbalance in international trade and payments and the network of trade barriers." He was sure that no one would disagree with the "importance of economic development, the necessity for a larger and more stable flow of international investment, or the importance of devising suitable means for avoiding the international propagation of unemployment resulting from cyclical fluctuations in effective demand."

He pointed out that for an "open economy like Canada's -- heavily dependent on external trade and the development of natural resources -- there were positive limits to the application and value of "automatic measures" of the kind proposed by the experts.

Concluding, he said, his Delegation believed that the Economic and Employment Commission was right in focusing attention on one of the "great weaknesses" in the experts' report, namely "the inadequacy of treatment of matters such as wage-price relations and other structural questions."

On February 21 the Council unanimously adopted a resolution commending the experts' report to member Governments and all concerned.

Speaking on the world economic situation, on February 23, Mr. Eudes briefly described the Canadian economic scene.

MINES AND TECHNICAL SURVEYS DEPARTMENT

ORGANIZATION AND FUNCTIONS: The Honourable J.J. McCann is the newly appointed Minister of Mines and Technical Surveys. Ralph Maybank is the Parliamentary Assistant to the Minister and the Department includes five technical branches.

The new Department renders important services to the mining and metallurgical industries; it administers the Explosives Act; it conducts topographical mapping, hydrographic charting, precise levelling and triangulation, legal surveys, and map compilation; and it is responsible for geological investigation and mapping, and the collection and organization of geographical data on Canada and foreign countries. In addition, the Department is responsible for the Dominion Observatories with their related work on gravity, magnetism, and seismology.

The organization is set up as follows: Marc Boyer, Deputy Minister; Dr. G.S. Hume, Director-General of Scientific Services; and Norman Capes, Director, Administration and Personnel.

The scientific services are distributed in the following branches: Mines Branch, Director, C.S. Parsons; Geological Survey of Canada, Director, Dr. W.A. Bell; Surveys and Mapping Branch, Director, W.H. Miller; Geographical Branch, Director, Dr. J.W. Watson; Dominion Observatories, Dominion Astronomer, Dr. C.S. Beals.

The Mines Branch is comprised of six divisions conducting a wide range of scientific and technical services for Canadian industry: Mineral Resources Division, Mineral Dressing and Process Metallurgy Division, Radioactivity

Division, Fuels Division, Physical Metallurgy Division and Explosives Division.

The Geological Survey of Canada is comprised of seven technical divisions and a Geological Mapping and Cartography division. The work of this Branch not only includes the important long-range programme of geological mapping in Canada but also includes broad investigation in the following fields: Stratigraphy and Palaeontology, Mineralogy and Radioactivity, Geophysics, Groundwater Glacial and Engineering Geology, Petroleum and Natural Gas, Coal and Regional Geology.

The Surveys and Mapping Branch is made up of four Survey divisions and a Map Compilation and Drafting Division: Topographical Survey, Hydrographic Survey, Geodetic Survey and Legal Surveys.

The Dominion Observatories, located at Victoria, B.C. and Ottawa, Ont., conduct work in the following fields: Astrophysics, Stellar Physics, Positional Astronomy, Terrestrial Magnetism, Gravity and Seismology.

The Geographical Branch is a comparatively recent addition to the Department. Broadly stated, its functions are: the preparation of an Atlas of Canada; to collect, organize, and make available for use basic geographic data on Canada and foreign countries which is required by this and other government departments; and to obtain by field and office research collate and organize material relating to the geography of Canada which could be of use to the economic, commercial and social life of this country.

SPECIAL HEALTH GRANTS: Public health units in Ontario are to obtain more than \$15,000 worth of special and technical equipment to be paid for by a federal health grant, the Minister of National Health and Welfare, Mr. Martin, announced on March 1. The equipment to be obtained is all of a special type not covered by the ordinary budgets of health units and municipal boards of health.

At the same time Mr. Martin announced that funds have been earmarked to buy an electroencephalograph or "brain wave" machine for the Ontario Hospital School, Orillia. This apparatus is used for the diagnosis of organic brain disorders and is expected to be very useful in this institution of more than 2,000 patients.

DOLLAR ARRANGEMENT WITH DENMARK: Trade between Canada and Denmark may be carried on in future on either a United States dollar or a Canadian dollar basis, the Minister of Fi-

nance, Mr. Abbott, announced on February 28.

Heretofore exporters shipping to Denmark have been required to obtain payment in U.S. dollars. Under arrangements made with the Danish authorities, Denmark is being designated as a "special arrangement" country as from March 1. Consequently Canadian dollars will also be acceptable in payment for exports to Denmark.

The arrangements also will enable Canadians to obtain permits through their banks for the expenditure of any reasonable amounts of Canadian dollars for travel to Denmark. Denmark is thus placed on the same basis, so far as Canadian travellers are concerned, as France, Belgium, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, Italy and countries in the sterling area.

Previously, travel expenditures in Denmark were in practice made in U.S. dollars and were therefore limited by the travel ration of \$150 U.S.

EXPORTS TO U.S. CONTINUE HIGHER

THIRD SUCCESSIVE MONTH: Canada's domestic exports to the United States -- for the third successive month -- were substantially higher in value in January than a year earlier. Shipments to Commonwealth and other countries were generally lower and the total value of domestic exports to all countries fell below that of January last year.

Exports to the United States in the month were valued at \$130,859,000 as against \$116,023,000 in January, 1949, an increase of nearly 13 per cent. The January value was higher than that for any of the first nine months of 1949 before the currency revaluations, but was exceeded in October, November and December, which are usually the peak months of the year. Part of the higher January value in terms of Canadian dollars ever January last year can be attributed to the premium on United States exchange.

Total exports to all countries in January declined in value to \$221,200,000 compared with \$237,000,000 a year earlier. Shipments to the United States thus accounted for about 59 per cent of the month's total value as compared with slightly more than 50 per cent in the 12 months of 1949.

Sales to the United Kingdom -- which have been subject to fluctuations during recent months -- were valued at \$48,608,000, down from \$55,813,000 a year earlier, but only slightly under the December figure. There were

SPEED AIR TRANSPORTATION: Effective March 1, the member nations of the International Civil Aviation Organization have agreed in substance to a standardization of customs, immigration and related procedures which will speed the international movement of passengers and cargo by air. The model procedures are contained in the Convention on International Civil Aviation's Annex 9, which comes into force on March 1, 1950. This Annex has been under development and study by ICAO for the past several years.

Dr. Edward Warner, President of the Council of ICAO, emphasized in Montreal, however, that this was just one major step toward the ultimate goal of a simplified uniform regulation covering the facilitation of international air transport. "Although we do not have official reports in every case, we know that more than forty sovereign countries, or more than two-thirds of ICAO's membership, have adopted the greater part of ICAO's recommendations.

"There will always be much room for improvement in this field, but considering the information we have received to date, we can at least be moderately optimistic. I should also like to note that at least twenty countries have organized their own committees on facilitation to promote the implementation of

decreases also from a year ago in exports to other Commonwealth areas. The largest decline was in exports to Commonwealth countries in Asia which fell to \$3,473,000 from \$14,937,000, with shipments to India down to \$495,000 from \$11,190,000 in January last year, when there were exceptionally large exports of wheat and railway equipment to that country. Exports to the British West Indies, including British Guiana, Bermuda and British Honduras, declined to \$2,512,000 compared to \$4,608,000; to Commonwealth countries in Africa to \$3,831,000 from \$4,991,000; and to the Oceania group of Australia, New Zealand and Fiji to \$2,612,000 from \$3,145,000. Total value of exports to all Commonwealth countries, including the United Kingdom, was \$62,336,000 as against \$83,706,000.

Exports to Latin America were lower at \$6,866,000 compared with \$7,953,000, decreases being recorded for most of the larger Canadian markets in the group except Cuba and Venezuela. Shipments to Continental Europe fell off more sharply to \$10,362,000 as against \$16,569,000, with sales lower to Belgium and Luxembourg, France, Germany, Netherlands, Norway and Switzerland but higher to Portugal and Spain. Exports to remaining foreign countries, on the other hand, increased to \$9,675,000 from \$8,375,000, mainly due to gains to Israel, Japan, Indonesia and the Philippine Islands.

the ICAO programme and to solve day-to-day problems in the facilitation field".

ICAO's facilitation programme for international air traffic covers these distinct yet related fields: entry and departure of aircraft; entry and departure of individuals and cargo; air traffic passing through the territory of an ICAO member nation; customs-free airports and trade zones; air sanitation and quarantine; currency exchange facilities and indirect impediments which increase costs, such as duplicating insurance and taxation requirements.

DECLINE IN JOB-SEEKERS: The Minister of Labour, Mr. Mitchell, on March 1 released the following statement on the employment situation.

There has been a slight decline in the number of persons seeking work through National Employment Service offices. At February 16, there were 378,300 persons registered with the National Employment Service, a drop of 2,600 from the previous week. From February 2 to February 9, there was an increase of 5,300.

The drop in the number of job seekers was greatest in the Pacific Region, where a decrease of 3,600 was reported. With improved

weather conditions, many loggers, sawmill and construction workers were able to return to their jobs. This decline in the Pacific region was offset to some extent by increases in the Maritimes and Quebec; slight declines were registered in Ontario and the Prairie region.

Information received from most local employment offices points to a definite improvement in the employment situation. Out of 180 local National Employment Service office areas, 80 reported a decline in the number of job seekers; most of the rest indicated a slowing down in the rate at which persons were registering for work.

Latest available figures indicate that with a few exceptions employment in Canadian industries is continuing close to the record levels established in 1948. Manufacturing as a whole has shown the most stability. Reduced employment in such industries as shipbuilding and agricultural implements has been almost balanced by gains in others such as automobiles and clothing. Basic manufacturing industries like primary iron and steel and heavy electrical apparatus have shown little change from previous record levels. These varied trends have resulted in some dislocation in employment, however.

Over the next month or two, more and more job openings for many of those at present out of work are in prospect, as construction, transportation and agriculture become active in the spring. A high level of employment in the construction industry is expected, with a heavy programme of house building and construction of highways and other public utilities on hand.

INTERNATIONAL TRADE FAIR: The jewellery section of the 1950 Canadian International Trade Fair will provide many new and unusual items, judging by the descriptive material supplied by some of the firms that have already booked their space. The British Jewellery and Silverware Council will have a large composite exhibit in which the latest products of some 100 firms will be displayed for the benefit of the visiting business men.

Although this exhibit will have a bewildering array of the craftsman's work, firms from other countries will have unique and different pieces of jewellery to intrigue the buyer, Trade Fair authorities have announced.

The Dutch have taken space to exhibit diamonds, diamond cutting equipment, buttons, imitation pearls and other jewellery.

French costume jewellery will be offered along with novelty items of all kinds, silver tea services, desk sets, etc.

Precious stones from India will be displayed, along with examples of Indian handicrafts and other samples of Indian jewellery inventiveness.

A Spanish jewellery firm is making its initial bow at the Trade Fair.

TRADE CONFERENCE DEBATE: The House of Commons, on February 28, by a vote of 148 to 55, defeated a Progressive Conservative amendment, introduced on a government motion to go into Committee of Supply, which would have called upon the Government to take immediate steps to convene a Commonwealth trade conference.

The proposed amendment was introduced by John Diefenbaker, (PC--Lake Centre) and supported by M. J. Goldwell, C. C. F. Leader, and Solon E. Low, Social Credit Leader. Eight members, in all, participated in the discussion, during which the Minister of Finance, Mr. Abbott, as well as touching upon various trade matters arising out of the debate, spoke in part as follows:

"The amendment proposed by the hon. member for Lake Centre (Mr. Diefenbaker) asks that Canada take the initiative in calling another conference, as he puts it, of the nations of the British Commonwealth and Empire, to devise policies to restore our lost markets and thereby provide jobs for our Canadian people. As the hon. member for Rosetown-Biggart (Mr. Goldwell) said, conferences of this kind are always helpful. I am not just sure what my hon. friend would suggest as the agenda for such a conference. I am not sure, as was indicated by the hon. member for Rosetown-Biggart, whether this would be another conference such as was held in the early thirties, for raising tariffs and creating a special, preferred area. If it were to be that sort of conference I for one, as the hon. member said, would not want to take part in it.

"It is true that there are many difficulties in connection with trading in the world today; but my experience has not been that those difficulties are due to a lack of conferences. I have attended some myself, including the Bretton Woods conference to which allusion was made a short time ago. On short notice I went to London last July to a meeting which was attended by the Finance Ministers of the nations of the Commonwealth, at which inevitably trade matters were discussed. It was a very helpful conference, and led to the further meeting in Washington in September, at which trade and financial matters were again discussed, and at which I think certain desirable long-term objectives were laid down and certain short-term policies were agreed upon which have proved helpful. Frankly, however, I do not think the trading problems of the world are going to be solved by simply calling another conference. I for one do not like to either initiate or attend a conference unless I know exactly what we are going to talk about. While I have no doubt it will be found desirable to hold further conferences to discuss trade matters, I do not know that the holding of a full-fledged Commonwealth or Empire Conference at this time would add very much to the knowledge of this or any other member of the Commonwealth in reference to specific solutions which can be found for these trade difficulties...."



MR. G. McINNIS,
INFORMATION DIVISION

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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S REVIEW: If there remains any doubt about the desire of the western powers to find a basis for accommodation between the communist and non-communist world then the necessary effort should be put forth to sweep away such doubt, the Secretary of State for External Affairs, Mr. Pearson, said in his review of external affairs, in the House of Commons, on March 3, as the House, in Committee of Supply, took up consideration of departmental estimates.

Such a move, he said, might require some great new effort on everybody's part; perhaps a new high level meeting; perhaps a full dress conference of the powers principally concerned, on all forms of disarmament; or possibly a meeting of the United Nations Assembly in Moscow. If direct negotiations amongst the great powers would initiate a process of settlement, no one should object to them on the grounds of procedure or prejudice.

The Minister was followed in the debate, on that date, by Mr. Gordon Graydon, (PC-Peel) Mr. Angus MacInnis, (CCF-Vancouver East) Mr. Solon E. Low, Social Credit Leader; Mr. Joseph Bradette, (Lib-Cochrane) and Mr. George Drew, Progressive Conservative Leader.

At the outset, Mr. Pearson touched on the steps being taken by the Department to keep Canadians informed on international developments. He mentioned the Annual Report of his Department, already tabled in the House; the

annual report, "Canada and the United Nations"; and the Department's monthly bulletin, "External Affairs."

If and when circumstances should make it desirable, Canada, he said, would give the same kind of consideration to the matter of a regional pact for the Pacific as had been given to the idea of a North Atlantic pact. But the situation in the Pacific, was not the same as the situation which had made desirable and necessary the signing of the North Atlantic pact. There were practical difficulties in the way of calling a Pacific Conference to draw up a Pacific regional pact at this time.

He stressed the importance of sound economic and social policies in the field of international affairs and in the relationships between the free democratic states. The course to be followed if the post-war dollar assistance programme runs out before the assisted countries recover to a point where they can balance their trade with more fortunate countries, was probably the most important question in the whole field of international economic affairs today.

He dealt with the suggestion for a Commonwealth economic conference, in part, as follows:

"I suggest that the remedy is not through conferences, though they can help very greatly at times. Nor is the remedy, I suggest, through the waving of a magic wand over inconvertibil-

AUTO SHIPMENTS AT HIGH LEVEL. Factory shipments of Canadian-made motor vehicles during January -- usually a month of relatively low deliveries -- were at a higher level than for any month of 1949 except June and September and exceeded last year's monthly average by 18 per cent. They were more than double last year's January shipments.

During the month 28,527 motor vehicles were shipped as compared with 13,863 in January last year and the monthly average of 24,220 for 1949. Top monthly figures last year were 30,894 units for September and 30,096 for June.

Shipments of both passenger models and commercial vehicles were higher in January this year than in December and January last year. Passenger car shipments totalled 20,927 units as against 18,531 in December and 7,174 a year ago, and commercial vehicles, 7,600 units compared with 7,390 and 6,689, respectively.

Shipments for sale in Canada accounted for 26,440 of the month's total as compared with 23,455 in December and 11,586 in January, 1949. Of the month's total for Canadian use, 19,626 were passenger cars and 6,814 commercial vehicles, the former figure being up sharply from 5,797 a year earlier. Vehicles for export numbered 2,087, showing a decline from 2,466 for December and 2,277 for January last year.

INDEX OF PRODUCTION 184.2. During 1949 the monthly average of the Bureau's general index of production, based on 1935-39 equals 100, was 184.2, an advance of 1.5 per cent over the 1948 average of 181.5, states the Canadian Statistical Review. The 1948 figure, in turn, was 3.4 per cent above the mark of 175.5 for 1947.

This index fluctuated rather widely during 1949, reaching 190.4 in June, the highest point ever attained under peace-time conditions, and dropping to a low of 178.2 in July when factory closing for holiday purposes resulted in lowered production. From this level the index moved up to 188.5 for September and stood at 186.8 for the closing month of the year.

FARM LAND VALUES UP. Occupied farm land in Canada had an average value of \$40.00 per acre in 1949, up \$1.00 over 1948, and \$16.00 higher than the 1935-39 average of \$24.00. The current rate of increase was the lowest since 1945 and may indicate the approach of a post-war levelling-off in land values in most provinces.

The upward trend in farm land values from pre-war levels reflects, at least in part, the relative changes which have occurred in the price levels of farm products and of the things which farmers buy. The Bureau's index of farm prices of agricultural products for 1949 was

151 per cent above the 1935-39 level, while for the same period the index of farm prices of commodities and services used by farmers, including living costs, had advanced 90 per cent from the 1935-39 base period level.

Increases in farm land values over 1948 levels were recorded in all provinces except Saskatchewan and Quebec, the largest increases being those indicated for British Columbia and Ontario. Average land values in Saskatchewan remained unchanged while a decline was registered in Quebec.

Averages for 1949 were as follows, those for 1948 being in brackets: Prince Edward Island, \$52 (\$51); Nova Scotia, \$49 (\$48); New Brunswick, \$45 (\$44); Quebec, \$59 (\$63); Ontario, \$71 (\$68); Manitoba, \$36 (\$34); Saskatchewan, \$24 (\$24); Alberta, \$33 (\$31); British Columbia, \$84 (\$79).

1950 POPULATION 13,728,000. Canada entered the year 1950 with a population of 13,728,000, according to a special estimate by the Bureau of Statistics. This represents an increase of 149,000 in the six months from July 1, 1949, when it stood at an estimated 13,579,000, and 179,000 over the estimate of 13,549,000 for June 1 last year, which coincides with the decennial Census date.

The quarterly estimates begun by the Bureau during the second half of 1949 to provide more closely up-to-date information on population growth, indicates increases of 87,000 for the summer months of June to August, and 71,000 for the September-November period, bringing the population to an estimated 13,707,000 at December 1, 1949. The figure for January 1 shows an estimated growth of 21,000 during December.

There are no comparable first-of-the-year figures available for earlier years. Census figures for 1901, however, show Canada's population at the start of the 20th century at 5,371,000. The population of Newfoundland in that year stood at 221,000, making the total of 5,592,000 for Canada's present area.

DECREASE IN CASH BUYING. The proportion of cash business transacted by establishments in 16 major retail fields during the third quarter of 1949 decreased to 63.6 per cent from 65.2 per cent in the corresponding period of 1948. This decline was absorbed by a substantial gain in the proportion of instalment sales and a lesser increase in charge sales.

All trades except women's clothing transacted a smaller proportion of their business on a cash basis than in the third quarter of 1948. Eight of the 10 trades selling on the instalment plan increased the proportion of instalment sales and nine of the 16 trades sold a greater proportion on charge account than in 1948.

AIR FORCE ROLE IN SECURITY

MR. CLAXTON'S ADDRESS: The following is the partial text of the speech prepared by the Minister of National Defence, Mr. Claxton, for delivery at the Past Presidents' Night of the R.C.A.F. Association, Toronto, March 3. In the absence of Mr. Claxton, due to illness, the address was read by Air Commodore V.E. Kennedy, AFC, Deputy Air Member for Technical services:

"....The attitude of the Soviet Union has made it plain that, while war is not inevitable, neither is peace, and that the only present source of safety is to combine with other nations so as to show the Communists that they cannot win.

"To play our part we are seeking from Parliament this year an appropriation of \$425 millions. Just how big a proportion of our national budget this is may be realized when I point out that if you exclude debt charges, social security and pension payments and other like sums which cannot be altered by any government, there is left to carry on all the operations of the federal Government a total of about \$620 millions, apart from the \$425 millions for defence..

"The fact that we have gone a great deal further in unification and co-ordination and the development of post-war organization, officer training and the like than any country, reflects the utmost credit on the way in which all have worked loyally together as a team....

"We must use the money appropriated for defence by Parliament in the best way to meet an immediate threat or develop our full potential. That is what defence planning has to do, always working towards the goal of becoming more and more operational. That is what we are doing....

"We are placing great emphasis on the Air Force but not to the point where the proper roles of the Navy and Army are ignored. Air Force equipment is immensely expensive and we are spending very much more on the Air Force than on the other two services - it may surprise you to learn, a far greater proportion than is being spent in other countries.

SHARP RISE IN AUTO SALES: Sales of new motor vehicles in January this year soared to an unusually high level for that month as most manufacturers introduced new models in large volume. Large increases in sales occurred in all parts of the country, with passenger cars accounting for a major part of the gain. There was also a marked increase in the financing of sales of new and used vehicles during the month.

New vehicle sales numbered 26,593 units with a retail value of \$53,714,978, an increase of 131 per cent in number and 118 per cent in value over January 1949 when there was a curtailment of distribution of passenger

"In the current year there is being spent on the Air Force in the United Kingdom 29%, France 30%, United States 34%, but in Canada 42.6%. This proportion will be further increased to 44.8% for 1950-51.

"One reason for this is the size and geographical position of Canada. We have 3½ million square miles occupied by 13½ million people.

"That a war can be won by air power alone is not the view of any reputable expert; but no expert believes that a war can be won without air supremacy. Air Power serves security!

"This was certainly one of the lessons of Exercise "Sweet Briar".

"While it will be some time before the detailed reports are considered, it now may be stated that the results of the Exercise confirmed the concepts of Arctic warfare held in both countries. Military operations in the Far North can only be successful if keyed in to one of the existing systems of transportation - airways, the highway or water. The distances a potential aggressor would have to go from any base favour the defence but only if the defence can stop any hopping operation such as from airfield to airfield, and this we know requires specially trained personnel of high morale and top physical condition with first-class equipment and air supremacy....

"As far as we can see ahead, if there is a likelihood of attack on Canada, it would probably be from the air. Consequently the Air Force is an important element in the defence of our own territory, which is the primary task of any defence force. The defence of our own territory is inseparably linked with the defence against the aggressor wherever that defence can best take place. There is no conflict between the concept of defence at home and defence abroad - only it is better to defend Canada as far away as possible.

"Similarly, there is no conflict between the concept of a force in being and the means necessary to develop our full potential as quickly as possible. This is a question of emphasis - of planning and timing...."

cars by most manufacturers resulting in sales of only 11,492 new vehicles with a retail value of \$24,677,689.

New and used vehicles financed in January this year numbered 14,785 with a financed value of \$14,326,070, an increase of 59 per cent in number of vehicles and 54 per cent in amount of financing over January 1949 when 9,292 new and used vehicles were financed to the extent of \$9,278,742.

New passenger car sales rose sharply in January to 20,809 units from 6,216, and the value advanced to \$41,752,682 from \$13,158,649. Truck sales increased more moderately to 5,749 units valued at \$11,243,338.

(Continued from P.1)

ity converting it into convertibility. The remedy, which is easier to prescribe than to take, is through the acceptance, not merely by Canada, but by all free democratic countries, of sound financial and trading policy, by sterling countries avoiding the creation of high-cost restrictive and discriminatory areas, and by dollar countries on the other hand adopting policies which will permit the sterling debtor countries to export more goods and services, thereby making it possible for these countries to balance their international trade by their own efforts and at a high level.

"We think that Canadian policies have been designed in the international economic field to that end, and are becoming increasingly effective for that purpose. Our imports, for instance, were 92 per cent of our exports in 1949, an increase of six per cent over 1948. The imports of the United States of America for eleven months of 1949 were 55 per cent of exports, a decrease of six per cent as compared with 1948...."

In the free and democratic countries of Europe, he said, there has been a continuing revival of confidence and stability, due, in large measure, he thought, to the reassurance which the North Atlantic Treaty had brought. For a full return to strength, however, there was one essential condition; there must be a sense of security. He proceeded:

COMMUNIST PROPAGANDA

"Of course it is in the interests of the Kremlin to prevent those conditions from being fulfilled. Communist propaganda in those countries seeks to turn away men's thoughts from constructive activities and to create and maintain an atmosphere of fear and pessimism. Through exploiting the fear of war, the Communists, under orders from Moscow, then launch 'peace offensives' designed to weaken those essential defensive measures which their own aggressive policies make necessary--the same kind of peace offensive which is now being carried on in this country by the same kind of leadership, and for the same purpose. In the European continent, whose inhabitants have vividly in their memories the full horrors of war, it is not hard to find soil in which to plant these propaganda seeds but they fortunately have been prevented from growing in recent months through the growth of confidence in the countries concerned. We can, I think, be reasonably sure that these sinister plans will not have any success in our own country, even though they may deceive and confuse some sincere and well-intentioned people.

"Communist plans in Europe have also to some extent been frustrated by their own crude and violent tactics. The workers, even the communist workers, are getting tired of being forced into political strikes and sabotage by a little group of Moscow-appointed leaders who always put the directive of the Kremlin before the interests of their own country and

of the working class. While the Communists are still strong in some of these western European countries, I think their game is becoming more and more apparent to the people. There are indications of this tendency in the defeat of the Communists in the elections in Finland, and in the complete elimination of the communist candidates in the recent election in the United Kingdom...."

He added later:

"This communist policy of isolation and expulsion is revealing. It throws a sombre light on the fear which haunts the rulers of the Soviet Union that the countries which they have drawn or forced into their orbit, realizing that their national interests are being sacrificed to Moscow, may react as Yugoslavia has already reacted. Hence the repeated purges of the personnel of these Governments. Hence the series of monstrous trials and forced confessions and savage sentences in Budapest, Sofia, Bucharest, Warsaw and Prague. Hence the accusations of espionage and plotting against western diplomatic missions and individual western nationals in these countries. One must feel the deepest sympathy for the peoples of Soviet satellite countries whose Governments are being compelled by Moscow to carry out policies so plainly contrary to their national interests. But I suggest the lesson of these events is not going unnoticed on this side of the iron curtain, where many waverers in many countries will hesitate before committing themselves to Communism when they have such abundant evidence that it is being used as a facade for the new Russian Imperialism.

UNITED NATIONS A STRENGTH

"In combating these dangers one of our greatest sources of strength remains the United Nations, where they can be publicly exposed, and the North Atlantic Treaty, under which we can defend ourselves collectively against the aggression which might result from them. This Treaty, I am glad to say--and the Minister of National Defence may and probably will have more to say about this matter when his estimates are introduced--is now a going concern, though very much remains to be done...."

"The world situation has been changed, not only by the developments which I have attempted to sketch briefly, but also by the realization that the perils of the atomic age will increase through the manufacture of atomic weapons of ever-increasing destructiveness, culminating, if it is culmination, in the so-called H bomb. On this question--and reference has already been made to it in the House during the present session--I suggest that our policy as to atomic weapons should be twofold. On the one hand, we of the free world must continue to strive by every means possible--and I hope to elaborate on this somewhat in a moment--for that kind of international agreement for the effective control of atomic energy that will give us some real chance of security against

the horrible possibility of atomic warfare. On the other hand, so long as the danger of such warfare remains, we together with friendly states with whom we can co-operate, must do our best to see that we do not lag behind in the development of knowledge and skill in the field of atomic energy. It is important also to convince, if that is possible, those with whom we find it difficult to co-operate that atomic weapons will never be used by us for any aggressive purpose.

"When a man finds himself struggling against a blizzard, a moment comes when because of fatigue and despair he longs to lie down, relax and die. There are times, Mr. Chairman, when we must all feel as though, in the international field, we were pushing through a bitter and blinding blizzard. But it would be fatal to yield to the temptation merely to sit it out, just as it would be fatal to yield to the temptation to panic and frantically rush in new directions without any knowledge of where they may lead. So far as Canada is concerned--and I am sure we all agree on this--I know there will never be any lack of willingness to search for a solution to this and the other problems which divide us from the communist world.

PROBLEMS NOT INSOLUBLE

"None of these problems is insoluble. Atomic energy need not destroy us; it can open for us a great age of human progress. Nor is there anything insuperable in the questions which have arisen about the future of Germany and Japan. Between the communist and non-communist worlds some modus vivendi, some agreement to live and let live, can be worked out. But this can never happen except through a process of genuine and mutual compromise and accommodation. If there remains any doubt about the desire of the western powers to find a basis for such compromise and accommodation then of course we must try to sweep away that doubt. This may require a great new effort on everybody's part--possibly some new high level meeting, possibly a full dress conference of the powers principally concerned, the fifteen, sixteen or seventeen powers if you like, on all forms of disarmament, including atomic disarmament; or it may require something else. It might suggest a meeting of the United Nations Assembly in Moscow, an invitation to which may not be too easy to obtain. If, for example, direct negotiations amongst the great powers would initiate a process of settlement, no one should object to them on the grounds of procedure or prejudice....

"It is essential however that any new move designed to insure peace by removing international differences must be taken only after the most careful preparation. At the same time the free peoples must make it equally clear, as they can do, that they are not for a moment prepared, because of anguish over the present situation, of fear or insecurity, to make any

unrequited sacrifice, through which they would weaken their position in return for nothing. There is no use in giving way to unreasoning panic. We are stronger now than we were. But however strong we might become, it would be folly to base one's policy on strength alone. As has been said, the first obligation of diplomacy is to avoid a situation where power alone talks. We can and should, therefore, reaffirm our desire to seek again, through negotiation, a settlement of the divisions which now beset the world.

"Even in the best circumstances, however, a settlement of the problems which divide the communist world from the free world will not be easily reached. Some new interventions, such as those suggested by the member for Rosetown-Biggan (Mr. Coldwell), in his interesting analysis of the present crisis, might be a useful beginning for such a process. Certainly this Government would give every support to any new beginning which gave any promise of success. Let us not forget, however, in our determination or desire, our anguish to do something, that the road ahead will in any case be long and difficult. We shall have to walk it with patience and with caution, with persistence and with realism. If a new approach, for instance, did not get us anywhere--there is always that possibility--we must not even then give way to the inevitable reaction of despair which would follow...."

ATOMIC ENERGY CONTROL

Concluding with a reference to efforts at atomic energy control, Mr. Pearson said, in part:

"During the past three or four months, while the United States has been going through the throes of its most difficult and fateful decision as to whether or not to push ahead with the development of the hydrogen bomb, because of the absence of agreement on the international control of atomic energy, the Russians have quietly and energetically been cultivating the impression, with some success, that they had already made new proposals for such agreement which we had turned down. Inferences are drawn from vague and speculative press reports that have passed the Moscow censors, as well as from some of Mr. Vishinsky's remarks on atomic energy in the last United Nations Assembly, hinting that they have offered concessions which we are ignoring. Nothing could be more misleading or further from the truth. Nothing could be more dangerous than that this impression should spread.

"Until last September our public were not particularly well informed as to what the Soviet position on atomic control actually was. Last autumn, therefore, when Mr. Vishinsky offered the Assembly, as if it were something new, what he called strict inspection and effective control as an integral part of an atomic energy agreement, many people naturally

thought that concessions were being made, and that at last the deadlock was being broken. Perhaps Mr. Vishinsky's intention was to concede and not to confuse, but some of his statements at that time seemed more like double talk, and in some cases were even mutually contradictory. In the course of the recent debate at Lake Success, he said everything about everything. If one makes a close and careful analysis of his statements as I have, it reveals nothing that could not be interpreted as being wholly consistent with the Soviet proposals of June, 1947, which did not provide anything approaching adequate international inspection and control.

"If Mr. Vishinsky meant us to read something new and different into his words, I hope he will make that clear to us at the first opportunity. It is of the greatest importance that we should know. At the moment we certainly cannot find out at Lake Success. Hon. members will recall that the Assembly last autumn directed the six permanent members of the Atomic Energy Commission, among other things, to discover what the new--if they were new--Soviet proposals on atomic energy control meant. But the Soviet representative walked out of the meeting without clarifying his own position in any respect. When these talks are resumed, as I hope they will be, maybe we shall be able to get that clarification, which must be insisted on because it is vital to the whole question...."

LIVING COSTS UP .6 P.C. The Bureau of Statistics cost-of-living index increased from 161.0 to 161.6 between January 3 and February 1. This increase of 0.6 points followed an unbroken series of small declines totalling 1.8 points and dating from the August 1949 peak of 162.8. From August 1939 to February 1950, the increase in the cost-of-living index was 60.3 per cent.

The foods index advanced 1.9 points to 201.3 during January, and again largely determined the change in the total index. Increases in beef and lamb prices over-balanced decreases in pork, while increases were registered for eggs, oranges, coffee and sugar. Clothing declined fractionally from 183.3 to 183.0, reflecting slightly lower prices for men's and women's wear. Home furnishings and services decreased 0.6 points to 166.4, mainly as a result of lower quotations for dishes and soap.

RECORD TOURIST EXPENDITURES: Expenditures of visitors from other countries in Canada and of Canadians travelling abroad set new records in 1949, according to the first estimate by the Bureau of Statistics. The increase in expenditures by Canadians over 1948 exceeded those of visitors to Canada, however, resulting in a substantial decrease in the credit balance of payments on travel account.

Travellers from other countries spent \$288,000,000 in Canada in 1949, an increase of \$8,000,000 or three per cent over the 1948 total of \$280,000,000. At the same time Canadians spent \$191,000,000 in travel in other countries -- largely in the United States -- as compared with \$134,000,000 in 1948. As a result, the net receipts in 1949 fell to \$97,000,000, showing a decrease of 34 per cent from the record \$146,000,000 the previous year, but being still higher than in any other year.

In travel between Canada and the United States, total receipts were at a new high of \$270,000,000, a gain of one per cent over the previous peak of \$267,000,000 in 1948. Expenditures of Canadians in the United States during the year aggregated \$164,000,000, up sharply from the 1948 total of \$113,000,000, and two and a half times as large as the average for the past 20 years. Canada's credit balance with the United States on travel account was thus \$106,000,000 last year as against \$154,000,000 in 1948.

Expenditures in Canada by travellers from overseas countries in 1949 rose to an estimated total of \$18,000,000 from \$13,000,000 in the previous year in spite of currency restrictions imposed by many countries. Canadian travel expenditures in overseas countries -- including cost of passage paid to non-Canadian carriers -- totalled \$27,000,000 compared with \$21,000,000. The result was a net debit in overseas travel of \$9,000,000 compared to \$8,000,000 the previous year.

\$800 FELLOWSHIP AT WESTERN U: The University of Western Ontario said this week that applications for an \$800 fellowship, to be awarded for military study at the University in history, geography or economics, must reach the Registrar by April 1. The award will be announced May 1.

The fellowship has been established "in memory of the former officers, NCOs and cadets of the University Contingent of the Canadian Officers' Training Corps who died in the service of the British Commonwealth and its Allies during the World War 1939-1945".

Consideration, according to information released by the University, will be given only to applications made by graduates living in Canada and qualified to proceed to a master's degree.

WHEAT AGREEMENT: The Honourable Charles F. Brannon, Secretary of Agriculture of the United States, met on March 3 with the Minister of Trade and Commerce, Mr. Howe, and the Minister of Agriculture, Mr. Gardiner, and discussed throughout the day a number of mutual problems.

There was a frank exchange of views on a number of common agricultural, trade and other problems and the usual cordial and friendly relations prevailed throughout.

The principal item of discussion involved some of the problems arising from the anticipated accession of Germany and Japan to the International Wheat Agreement. Agreement was reached on a recommendation to be presented at the meeting of the International Wheat Council on March 13, 1950.

"It has been a most pleasant visit," said Mr. Brannan in a press statement. "My colleagues and I have had a very profitable discussion with Cabinet Ministers and officials of the Canadian Government regarding our mutual agricultural programmes. We do a lot of farming on both sides of the border and we do a lot of trading back and forth with each other. We both have problems, and we both believe that frequent discussions on neighborhood problems are good for the neighborhood. So I came up for a visit...."

8,000 ARMY CADETS: For some 8,000 teen-aged Royal Canadian Army Cadets, summer can't come too soon.

Approximately that many have indicated they will attend one of the many camps being run for them by the Army this summer.

The majority, or 5,000 of them, will attend routine 10-day training camps conducted within their own military Commands.

But some 2,913 more serious minded youths, set upon learning a useful trade, go under canvas at special trades training camps for six weeks during July and August. Figures compiled by Army Headquarters show that 1,378 will be trained as driver-mechanics; 935 as driver-operators on almost every type of military vehicle; 394 as operators of radar-controlled equipment used to direct the fire of anti-aircraft weapons; and 183 as medical assistants with a thorough knowledge of male nursing, operating room procedure and the care and issue of medicines in military hospitals.

Cadets who successfully complete a six-week trades course automatically earn themselves a \$60 cash bonus.

DEPARTMENT STORE SALES DOWN: Department store sales decreased seven per cent during the week ending February 25 as compared with the corresponding week last year, according to preliminary figures. All provinces participated in the decline except Alberta where sales remained unchanged. In Saskatchewan, sales fell 18 per cent, Ontario 10 per cent, Manitoba eight per cent, the Maritime Provinces six per cent, British Columbia three per cent, and Quebec two per cent.

SILICOSIS CONTROL: An extension of chest x-ray services for industrial workers exposed to silica dust is to be financed from Ontario's share in the federal health grants, the Minister of National Health and Welfare, has announced.

AVRO CF-100 DEMONSTRATION: A demonstration flight of Canada's new all-weather, long-range jet fighter, the Avro CF-100, is to be held at Rockcliffe air station, Ottawa, on Saturday, March 11.

Attending the demonstration are the Governor General, accompanied by His Royal Highness the Prince of the Netherlands (Prince Bernhard). Also invited are Prime Minister St. Laurent and members of the cabinet, members of the House of Commons and the Senate, senior government and armed forces officers, members of the diplomatic corps, and officials of Canadian aviation firms.

The new fighter is still undergoing flight tests, and no attempt is planned to display its maximum performance, as regards speed, manoeuvrability and rate of climb. The flight, however, provides an opportunity for senior government and military officials, and the Press, to see the sleek new jet fighter, which made its first test flight at Malton, Ontario, January 19.

The CF-100 is to be flown by test pilot W.A. Waterton, a wartime RAF squadron leader who comes from Camrose, Alberta, and who has been handling the aircraft's flight-testing programme for A.V. Roe Canada Ltd. While it is Prince Bernhard's first glimpse of the new Canadian fighter, its test pilot is no stranger to His Royal Highness, having flown the Prince in a Meteor jet plane in the United Kingdom in 1948.

The CF-100 has been designed to meet specifications laid down by the RCAF, which considers a long-range, all-weather jet fighter necessary to Canadian air-defence requirements. The aircraft will complement the F-86 single-engine jet fighter, which is being built for the RCAF by Canadair Ltd. of Montreal. The two aircraft will have separate tasks. Whereas the F-86 is a high-performance single-seater day interceptor, the CF-100 has been developed for all-weather operation under day or night conditions.

INDUSTRIAL EMPLOYMENT DOWN: Employment in the major industrial divisions was at a lower level at January 1, the decline being in accordance with the movement invariably indicated at that date in the years since 1920. The preliminary index, on the base 1926=100, stood at 194.2 as compared with 201.8 at December 1. This reduction of 3.8 per cent exceeded that indicated at January 1, 1949, when the index number at 196.0 -- a maximum for the time of year -- was 0.9 per cent above the latest figure.

Salaries and wages were lower by 6.9 per cent in the holiday week of January 1 than in the week of December 1. As compared with January 1, 1949, however, there was a gain of 2.3 per cent. The advance figure of average weekly earnings was \$42.38 as compared with the all-time high of \$43.81 a month earlier, and \$41.10 a year ago.

GEN. H. KENNEDY APPOINTED BY U.N.: Secretary-General Trygve Lie has announced the appointment of Major-General Howard Kennedy, a Canadian, as Director of the United Nations Relief and Works Agency for Palestine refugees in the Near East, according to a U.N. press report.

This appointment was made in accordance with the General Assembly resolution of December 8, 1949, after consultations between the Secretary-General and the Governments represented on the Advisory Commission -- France, Turkey, the United Kingdom and the United States. The Director of the Agency will hold a meeting with the Commission on April 17 in Geneva to discuss his programme and will proceed to Beirut at the end of April.

The United Nations Relief and Works Agency for Palestine refugees in the Near East was created by the General Assembly resolution of December 8, 1949, to "carry out, in collaboration with local governments the direct relief and works programmes as recommended by the economic survey mission" (Clapp mission) and to "consult with the interested Near Eastern governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available." The Director, as Chief Executive Officer of the Agency, is responsible to the General Assembly for the operation of his programme.

Major-General Howard Kennedy, 57, is a graduate in civil engineering, McGill University. He has had extensive experience in industrial construction operations. After working with a Montreal engineering firm and a few years in business for himself as a contractor building roads and bridges, he served as an executive of a large pulp and paper company and was subsequently Manager of the Quebec Forest Industrial Association.

He served overseas during World War I, was wounded and awarded the military cross. In 1939 he went overseas with the first Canadian Division Engineers. He later became Quartermaster-General in charge of engineering, services and development, supplies and accommodation, transport and communications and liaison with other branches.

CANADA ON AGENDA COMMITTEE: The Economic and Social Council of the United Nations on March 1 elected Canada and Poland as the two new members of its Agenda Committee, which consists of the Council President, its two Vice-Presidents and the two elected members, Czechoslovakia was elected as an alternate for Poland.

Sir A. Ramaswami Mudaliar (India) nominated Canada and Poland and Czechoslovakia as alternate to Poland. Canada was elected by 12 votes in favour to none against, with 1 abstention. Poland was elected by 11 votes in favour to 1 against (Chile), with 1 abstention.

Czechoslovakia was elected as an alternate member for Poland by 11 votes in favour to 1 against (Chile), with 1 abstention

GOVERNMENT PRECAUTION AGAINST SPIES: In an address made over the CBC on March 7 the Secretary of State for External Affairs, Mr. Pearson, answered the charge made that there were communists in key positions in the government service by saying, in part:

"We all know about the cold war... In waging that war, international communism, which is the tool and agent of Soviet imperialism, uses its secret supporters to undermine free institutions or to ferret out military secrets in the free countries. And there are, unfortunately, some of these people in every free country. The only effective way of finding and exposing them is by careful, conscientious and responsible security investigation, followed by determined and vigorous legal action whenever action is warranted...

"There is every reason for vigilance but no reason for scare-mongering about communist influence in the Government in Canada. It is ridiculous to state that there is now such influence. The most vigorous and effective action taken by any democratic government against Communist agents was that carried out in Canada in 1945. The present Prime Minister was at that time Minister of Justice, and he was responsible for the action then taken. It was not easy and it was not popular, but it was necessary, and it destroyed a network of communist spying. The government which took this forthright action has not gone to sleep on the job, and it is absurd to pretend that we would tolerate communists in positions of trust. But we are equally vigilant to safeguard this country against the dangers of a feverish witch-hunt."

PRINCE BERNHARD'S VISIT: The programme scheduled for the visit to Ottawa, March 10 to 12, of His Royal Highness The Prince of The Netherlands includes on March 10 an informal luncheon at Government House, laying a wreath at the National War Memorial, a reception by H.R.H. The Prince of The Netherlands at the Chateau Laurier Hotel, a dinner by Their Excellencies the Governor General and the Viscountess Alexander of Tunis at Government House. On March 11 there will be an air display of the R.C.A.F. jet fighter CF-100; the investiture of Rt. Hon. W.L. Mackenzie King, P.C., O.M. with Grand Cross of The Netherlands Lion; a reception by The Netherlands Ambassador; and a dinner by the Prime Minister on behalf of the Government of Canada. On March 12 Prince Bernhard will visit the Chief of the General Staff, Lt.-General Charles Foulkes, C.B., C.B.E. and General H.L.G. Crerar, C.H., C.B.; and will entertain at a dinner.

DEBATE ON EXTERNAL AFFAIRS CONTINUED

RECOGNITION OF COMMUNIST CHINA: After the review by the Secretary of State for External Affairs, Mr. Pearson, the debate was continued by the members mentioned on page 1. On March 7 Mr. Pearson spoke again, and referred in part, as follows to the subject of recognition of the communist government in China:

"One reason for delay (in recognition)--and it is only one reason, of course--is to give to hon. members a chance to state in this House their point of view on this question. Indeed, the request was made to the government by hon. members opposite that they should be given an opportunity to express their point of view on this matter before we came to a decision....

"In considering this matter we must distinguish between recognition of a new state and recognition of a new government. The two things are quite different. Under recognition of a new government we must distinguish between *de facto* recognition and *de jure* recognition, between implied recognition and express recognition. We must distinguish between recognition of a government whose authority has been challenged and is still under challenge, and recognition of a government whose authority is no longer being challenged by any alternative form of government. Then finally we must distinguish between recognition on the one hand and diplomatic representation on the other--this is quite a different matter, although the two things were certainly confused, I thought, the other night.

CONDITIONS OF RECOGNITION

"In connection with China we are dealing at this time only with recognition of a new government, not recognition of a new state. In deciding whether recognition should or should not be given to a new government certain criteria--certain conditions, if you like--have been laid down by authorities on international law, such as Oppenheimer, Brierly, Jessup, Lauterpacht and others. But these conditions, of course, have never been, and were never meant to be, applied rigidly and without exception. I mentioned some of these criteria in my statement last December when I was talking about this Chinese question. I said then that if the particular conditions which I mentioned were fulfilled in China to our satisfaction, and I quote from my words, we would have to face the facts which confront us."

"The four conditions--I think three of them were mentioned last Friday night by the leader of the opposition, but there are at least four, are as follows. One is the effectiveness of the authority of the government concerned. The second is the independence of the government concerned--something that is not always

easy to determine, especially in the case of countries like Tibet, Viet Nam and China. The third is the ability and the willingness of the government concerned to carry out its international obligations. That condition, of course, cannot always be applied too rigorously and too exactly. If it were always applied in that way we might today be recognizing the government of Mr. Kerensky in Moscow. Finally there is the question of acceptability of the new government by the people over whom it exercises authority."

PACIFIC PACT

In discussing the question of a Pacific pact he said one consideration would be "whether it would be possible to invite Russia and China to a conference which would be discussing a regional pact in the Pacific. Of course I am not quite so naïve as to suggest that if an invitation of that kind were sent, and if it had the conditions which normally attach to such invitations, the Russians would accept it. I am not even sure whether it would be of any use to send them such an invitation. My argument against a Pacific pact at this time, which is not mentioned in this statement, was that in my opinion it would be futile and unwise to proceed with a conference to negotiate a Pacific security and mutual guarantee pact at a time when the United States, the United Kingdom and India have indicated that they would not be able to participate in any such conference. Surely that serious argument is enough to explain why we have not accepted certain advice which has been given us in this House to push ahead with a Pacific pact at this time."

Mr. Pearson continued:

"Finally the leader of the opposition made a strong and eloquent appeal against anything which might be interpreted as appeasement of communist aggression. I agree with him, though appeasement is one of those very difficult and dangerous words which can be interpreted in many ways. If by appeasement we mean prejudicing our own security or the security of the democratic world by making extorted and unnecessary concessions to a possible aggressor in the hope that it might keep him quiet; or if we mean assisting, encouraging and strengthening those whom we thought had aggressive designs, then of course I am sure everyone in this House is against appeasement....

"I suggest there is no contradiction between the two statements. In this connection I referred to the necessity of genuine compromise and accommodation; and I made it abundantly clear, I hope, that the Canadian government was fully aware of the danger of appeasement of the kind I have just indicated, but at the same time was conscious of a duty to keep

searching for some way out of the present impasse...."

Mr. George Drew, Progressive Conservative Leader; Mr. M.J. Coldwell, C.C.F. Leader; Mr. J.H. Blackmore (S.C.-Lethbridge) and others continued the debate, which was adjourned that evening.

OUTPUT OF LEADING MINERALS: Production of 10 of Canada's 16 leading minerals was increased in November over the corresponding month of 1948, while in the first 11 months of the year, output was higher for 11 of the 16 items, according to the Bureau of Statistics.

November production was as follows, totals for the same month of 1948 being in brackets: asbestos, 77,354 (67,426) tons; cement, 1,382,718 (1,311,432) barrels; clay products, \$1,518,478 (\$1,744,840); coal, 2,087,874 (1,892,580) tons; copper, 44,086,495 (40,467,115) pounds; gold, 361,311 (311,399) fine ounces; gypsum, 248,585 (292,209) tons; iron ore, 345,088 (150,806) tons.

Lead output in the month amounted to 26,984,945 pounds compared with 32,061,284 a year earlier; lime, 91,967 tons (97,057 tons in 1948); natural gas, 5,071,338 (5,491,314) M cubic feet; nickel, 19,326,560 (25,510,182) pounds; petroleum, 1,915,028 (1,264,533) barrels; salt, 70,123 (69,577) tons; silver, 1,501,781 (1,235,792) fine ounces; zinc, 49,869,401 (41,915,918) pounds.

OUTPUT OF IRON AND STEEL IN 1948: Gross factory value of products turned out by Canadian manufacturers of iron and steel and their products rose sharply to \$2,253,777,000 in 1948 from \$1,854,916,000 in 1947, according to final summary figures released by the Bureau of Statistics. The rise of 21.5 per cent in 1948 over 1947 follows upon a rise of 32 per cent in 1947 from an aggregate value of \$1,405,543,000 in 1946.

All the main industries in this classification showed increases in gross output value in 1948 over the previous year with the exception of shipbuilding, the largest gains being shown for the group of pig iron, ferro-alloys, steel and rolled products, and for farm implements, automobiles, and railway rolling stock. Gross output value for the first-named group rose to \$282,167,150 from \$216,276,000 in 1947; for farm implements, to \$146,956,300 from \$89,423,500; for automobiles, to \$398,057,000 from \$340,918,200; and for railway rolling stock, to \$237,382,900 from \$159,283,100.

Output for other leading industries: sheet metal products, \$152,561,000 against \$129,495,000 in 1947; iron castings, \$123,739,000 (\$102,516,000 in 1947); machinery, \$232,606,000 (\$200,895,000); automobile parts, \$140,068,400 (\$131,535,000); bridge and structural steel, \$66,229,600 (\$52,559,300); hardware, cutlery and tools, \$87,665,700 (\$79,536,800); wire and wire goods, \$63,947,700 (\$54,563,600).

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WEEK'S EVENTS IN REVIEW

CANADIAN FOREIGN TRADE REVIEWED: Canada's credit balance in commodity trade with all countries, in keeping with the seasonal pattern of recent years, dropped off in January to \$11,800,000 from last year's peak of \$74,900,000 in December, and was also moderately below the balance of \$15,200,000 for January, 1949, according to the Bureau of Statistics.

Both commodity imports and exports were lower in January this year than last. The former were valued at \$211,900,000 as against \$223,800,000, showing the first decrease for January during the postwar years. Total exports -- domestic and foreign -- declined in dollar value to \$223,800,000 compared with \$239,000,000.

Imports from the United States during January continued the downward trend of previous months, being valued at \$154,500,000 compared with \$164,800,000 a year earlier. In contrast, total exports to that country rose to \$133,000,000 from \$117,500,000, reaching the highest peacetime January figure. Canada thus had a reduced adverse balance with the United States of \$21,500,000 as compared with \$47,300,000 in January last year. This adverse balance follows upon abnormal credit balances in November and December totalling \$21,600,000.

In trade with the United Kingdom, there was a favourable balance of \$22,800,000, down from \$30,500,000 a year earlier as the result of a decline in total exports to \$48,900,000 com-

pared with \$55,900,000 and a slight rise in imports to \$26,100,000 from \$25,400,000.

Total exports to all other countries -- Commonwealth and foreign -- had an aggregate value of \$41,900,000 in January, while imports from these countries amounted to nearly \$31,400,000, leaving a credit balance of \$10,500,000. This compares with an export balance of \$28,700,000 in January, 1949, when exports to the Commonwealth countries were much higher.

Besides the decrease in the value of January imports from the United States as compared with a year earlier -- amounting to \$10,300,000 in a total decrease from all countries of \$11,900,000 -- there were decreases in purchases from Latin America, Europe, the British West Indies and Commonwealth countries in Africa and Asia. Partly offsetting these were the small gain in dollar value of imports from the United Kingdom and larger gains in those from Australia and the remaining foreign countries. The apparent decrease in the volume of imports from the United States was substantial while the volume of imports from the United Kingdom rose significantly.

Most of the decline from \$164,800,000 to \$154,500,000 in the value of the month's imports from the United States was due to lower Canadian purchases of iron and steel products and non-metallic mineral products, according to a breakdown of imports by main groups from the United States and the United Kingdom now

AIRCRAFT ICING TO BE STUDIED: A gleaming new RCAF North Star aircraft, known as the "Rockcliffe Ice Wagon", specially modified by Canada for experimental studies of aircraft icing and prevention against this hazard, will take to Canadian skies this month on its year-round search for the worst weather on the continent. Virtually a flying laboratory, the "Ice Wagon" is manned by an RCAF crew and carries a team of scientists from the C6ld Weather Laboratory of the National Research Council.

The new "Ice Wagon" is an odd-looking aircraft, equipped with a high shark-like fin set in the middle of the fuselage, and a number of perspex observation blisters strategically placed throughout the aircraft. The fin is used for experimental work in electro-thermal wing de-icing. On the inside of the aircraft intricate equipment measures the density of clouds, their water content, determines the effect of ice on propellers and there is even an instrument which gives the pilot visual warning of icing conditions.

Icing conditions, dreaded by all pilots, are encountered at temperatures ranging from above freezing to 40 below zero. National Research Council personnel have pioneered in anti-icing research, and as early as 1935, Gen. A.G.L. McNaughton then head of the Council, pointed the way to electro-thermal heating as an answer to the problem. Today one of the NRC developments in general use is a special leading edge cover for propeller blades, which when electrically heated, can rid propellers of any type of ice.

UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits in January numbered 196,624 as compared with 150,480 in the preceding month and 140,305 in the corresponding month last year. Initial and renewal claims, which provide a measure of new cases of recorded unemployment, totalled 182,053 as compared with 139,406 in December and 126,649 a year earlier. On the last working day in January, ordinary claimants on the live unemployment register numbered 297,238 as compared with 222,064 at the end of December and 197,675 on the same date last year. There were increased claims in all provinces in January and benefit payments amounted to \$11,781,142 for 4,925,381 compensated days as against \$6,727,221 for 3,036,418 days in January last year.

ONTARIO TB SERVICES TO EXPAND: Ontario's tuberculosis detection services will be expanded with the purchase of four more mobile x-ray units according to the Minister of National Health and Welfare, Mr. Martin.

The new units will be based on the sanatoria in London, Weston, St. Catharines and Fort William. Expansion of clinical facilities has been a co-operative enterprise with the Ontario

Department of Health and the sanatoria providing clinical supervision and local, voluntary tuberculosis committees paying the costs of operation from Christmas seal funds, Mr. Martin explained. Investigation has shown that the local groups cannot assume the full cost of expanded services in their districts. Hence, the federal Government has agreed to provide the necessary equipment and to meet the salaries of the additional clinic physician and the x-ray technician needed to operate it. The voluntary associations will still be responsible for upkeep of the equipment, supplies and travelling expenses. The cost to the federal Government in the current fiscal year will be about \$30,000.

EXPORT WHEAT SUPPLIES: The combined wheat supply of the United States, Canada, Argentina and Australia -- the world's four major exporting countries -- amounted to 1,683,000,000 bushels on January 1 this year, some 109,000,000 bushels above the supply level at the beginning of 1949. Moderate declines in Canada and Argentina were more than offset by increases in supplies in the United States and Australia.

The total supply of the five principal grains -- wheat, corn, barley, rye and oats -- stood at 162,000,000 short tons, about 16 per cent above the average of the past five years, but only slightly above the large 1949 supply. Stocks of each grain in Canada and Argentina -- with the minor exception of oats in the latter country -- declined from the January 1, 1949, position.

The United States Office of Foreign Agricultural Relations states that total world breadgrain import requirements for 1949-50 are expected to be reduced 10 per cent or more from the total 1948-49 exports of 26,700,000 long tons -- 970,000,000 bushels of wheat and flour in terms of wheat, and 30,000,000 bushels of rye. Supplies of wheat available for export in the principal surplus-producing areas are considered adequate to meet the export demand with significant increases in stocks not being anticipated except in the United States.

CANADIAN-MEXICAN CO-OPERATION: Speaking in Mexico City, on March 10, the Minister of Resources and Development, Mr. Winters, referred to the post war increase in Canadian-Mexican trade. He said, in part: "Canadians are great believers in the virtues of the freest possible international exchange of people and goods. Our trade with Mexico is a good example. For we have been buying as much from your country as we need and could get at competitive prices -- with little regard to the fact that we have been buying more from your country than we have been selling to you. Our purchases from Mexico in 1949 involved goods worth more than \$25 million, including large

quantities of raw cotton, fruits, vegetables, sisal and tampico fibres, and some metals. As a result Mexico had a favourable trading balance of over \$10 million with Canada in the last year."

Mr. Winters spoke of Canadian investment in the industrial development of Mexico and of the establishment of direct transportation services by sea and air between the two countries.

DRB SCIENTIFIC CONFERENCE: The Defence Research Board will hold its second scientific conference in Ottawa for three days March 15 to 17, according to an announcement by the Minister of National Defence, Mr. Claxton.

Members and staff of the Board and prominent scientists from Canadian universities and Canadian, British and American scientific organizations will hold closed meetings to discuss defence research problems.

Papers will be presented in the major fields of chemistry, physics, medicine, psychology and operational research. Most of the papers deal with the research activities of the scientific establishments operated by the Board and are concerned with the applications of science to military problems.

Among those expected to attend are: Sir Alwyn Crow, Head of the British Joint Services Mission in Washington; Sir Charles Wright, scientific advisor to the British Joint Services Staff (Naval Staff), Washington, D.C.; Dr. R. F. Rinehart, executive secretary of the Research and Development Board, U.S.A.; Dr. C. J. Mackenzie, President of the National Research Council; Dr. C. H. Best, University of Toronto; Dr. P. E. Gagnon, Laval University; Dr. J. H. Johnstone, Dalhousie University; Dr. Otto Maass, scientific advisor to the Chief of the General Staff, McGill University; Dr. G. M. Shrum, University of British Columbia; Dr. R. F. Farquharson, University of Toronto; B. G. Ballard, National Research Council; Dr. E. A. Bott, University of Toronto; Dr. P. M. Millman, Dominion Observatory; Dr. C. B. Purves, McGill University.

COMMITTEE ON OLD AGE SECURITY: The Minister of National Health and Welfare, Mr. Martin, proposed in the House of Commons, on March 10:

"That a joint committee of both Houses of Parliament be appointed to examine and study the operation and effects of existing legislation of the Parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any,

required for the effective operations of such plans and other related matters."

Mr. Martin pointed out that the Government attached great importance to improving old age security in Canada but that it would be unwise to embark upon a "proposal of such magnitude that it will effectively prevent us from considering other important social security measures" and might prove beyond Canada's capacity to continue in future years.

He emphasized the need for federal-provincial consultations on the subject and he stated: "what we wish to do is to develop, within the limits only of the financial capacity of our people, and with due regard to our over-all commitments in all fields of social security and other governmental responsibilities, the simplest, most effective and most humane system of old age security that it is possible for us to devise. We wish to do this, not in open disregard of provincial rights or interests or concerns, but in full consultation, agreement and partnership with them..."

THE PRIME MINISTER ON UNEMPLOYMENT: In statements to delegations from the Trades and Labour Congress and The Canadian and Catholic Confederation of Labour, March 9 and 10, Prime Minister St. Laurent conceded Canada had a larger-than-usual number of unemployed but stated the Government did not consider the time had come to authorize public works to provide jobs. He told the delegations there was no reason to be pessimistic about the future and, if confidence were maintained, he was sure economic activity would continue at a high level. Mr. St. Laurent stated that in the last month the trend in unemployment had been downward and had set in that direction. He attributed this winter's unemployment largely to climatic conditions and to the reduction of inventory stocks by some enterprises which had seen in the U. S. recession last spring a forerunner of a depression.

CANADA'S NEW JET FIGHTER SHOWN: At Rockcliffe Airport, Ottawa, on March 10, the Avro CF-100 was put through some of its paces for a distinguished audience, including the Governor General, Prince Bernhard of The Netherlands, the Minister of National Defence, Mr. Claxton, members of Parliament, and military and diplomatic representatives. The sleek, black, jet fighter, piloted by Squadron Leader W. A. Waterton, was put up to 575 miles an hour within the circumference of the air field, took-off on an estimated 60 degree angle after a run of only 1,000 feet and showed manoeuvrability far surpassing that of the Vampire. Its ultimate speed is a secret.

The CF-100 was designed for the defence of North America and has been developed by Canada as her part in joint continental or North Atlantic Treaty defence. It is powered, at

present, by Rolls-Royce Avon engines, later to be replaced by Avro Orenda turbojets, has an overall length of 52 feet, 6 inches, and a wingspan of 52 feet. It is the first long-range, all-weather, day-night fighter of its type.

Also demonstrated was the Avro jetliner, the first jet transport designed for inter-city travel. It had been flown from Malton, 230 miles from Ottawa, in 36 minutes, 5 seconds.

SAUNDERS WHEAT THIRD BIRTHDAY: Celebrating its third birthday in March, Saunders wheat is showing encouraging growth and usefulness. This rust-resistant, early maturing and high milling and baking quality wheat was named after Dr. William Saunders, the first director of the Experimental Farms System, and his son, Sir Charles E. Saunders, first Dominion Cereal-ist.

In 1903 Sir Charles E. Saunders planted a single grain of Marquis wheat, the development of which was the main factor in making the prairie provinces of Canada outstanding in the production of high quality spring wheat.

Saunders wheat was licenced after exacting trials had been conducted for a period of six years. It originated from the cross 44.7X. Thatcher, both stem rust-resistant, the first being an early maturing variety and the second a good baking quality variety. Saunders resembles Marquis in colour and is superior to Thatcher and Red Bobs in this respect. It is highly resistant to stem rust, bunt, loose smut and root rot and moderately resistant to leaf rust. It is estimated that 1½ to 1¾ million bushels of Saunders were harvested in 1949 and considerable seed stocks are now available.

DR. KEENLEYSIDE APPOINTED: Dr. H.L. Keenleyside, Deputy Minister of the Department of Resources and Development, has been chosen to head a United Nations team of experts to work out a plan for technical assistance to Bolivia, according to an announcement made by the Minister of Resources and Development, Mr. Winters, on March 10 in Mexico City.

FARM PRICES DOWN: Farm prices of Canadian agricultural products -- excluding Newfoundland -- moved downward in January, the monthly index number, on the base 1935-39=100, standing at 239.3 as compared with 246.0 for December, and 257.7 for January last year. The January index is the lowest recorded since December, 1947, when the index stood at 226.7. The substantial decline in the index for January is attributable in large part to the decline in the price of hogs and eggs. As compared with a year ago, current prices were lower for nearly all commodities:

The annual average index for 1949 was 251.2, showing a slight decline from the all-time annual average figure of 252.6 in 1948. For 1947 the index stood at 212.5.

COST-OF-LIVING INDEXES UP: Cost-of-living indexes for eight regional cities moved higher during January. Increases were largely confined to foods and reflected higher prices for beef, lamb, eggs, oranges, coffee and sugar. In most centres, miscellaneous series indexes also showed fractional advances. Clothing and home-furnishings were generally lower, while fuel costs were unchanged, except in Saint John and Montreal where small increases were noted. Indexes for rents, which were not surveyed, remained unchanged.

Composite city index increases between January 3 and February 1 were as follows: Vancouver, 1.5 to 163.4; Saskatoon, 1.4 to 163.6; Winnipeg, 1.3 to 156.3; Edmonton, 1.2 to 158.1; Toronto, 0.7 to 157.6; Saint John, 0.7 to 157.8; Halifax, 0.6 to 153.3; Montreal, 0.4 to 164.2. During the same interval Canada's index rose 0.6 to 160.3.

CANCER FILM WORLD PREMIERE: "Challenge -- Science Against Cancer", a film produced by the National Film Board under joint Canada-United States sponsorship, was given its world premiere in New York on March 13.

The film was made to acquaint the public with the latest facts on cancer research. Canadian and American scientists, research laboratories and film technicians co-operated to produce the film explaining the meaning and accomplishments of cancer research. The English version is narrated by Canadian-born Raymond Massey.

One of the principal speakers on this occasion was the Minister of National Health and Welfare, Mr. Martin, who said that under Canada's National Health Programme \$34,000,000 would be available in the year ahead to support health services in the provinces and the cancer control campaign was leading to positive action to get a reprieve for as many as possible of the 1,500,000 Canadians suffering from cancer. He stated that "in Canada we have the foundations of a cancer control system to stand comparison with any... We are now studying how to do a better job."

Mr. Martin explained that the National Health Programme included an annual grant of \$3,500,000 to support cancer activities in all the provinces -- on condition they spent at least as much; and that the National Cancer Institute of Canada had been established three years ago to co-ordinate the drive against cancer. Already more than 70 major cancer research projects had been initiated. Under the federal grant, he said, 31 new and free cancer diagnostic clinics had been established.

The world premiere of the film was, Mr. Martin declared, "a good occasion to recall the friendly assistance we have always received in Canada from cancer authorities in the United States, and the ideas and research workers that we have been glad to exchange with you."

Dr. Brock Chisholm of Ottawa, director of the World Health Organization, and Oscar Ewing, U.S. Federal Security Administrator, also spoke at the New York premiere.

The Canadian premiere of the film will be held shortly in Ottawa.

APPOINTMENT TO U.N. STUDY GROUP: J. E. G. Hardy, of the Department of External Affairs, has been selected by the U.N. Interne Selection Board to be one of a group chosen to participate in an eight weeks programme to make a working study of the United Nations. Under the programme the internes will be assigned to temporary posts in the secretariat and will attend lectures by leading members of the secretariat and meetings of councils, commissions and committees.

NEW SLEEPING CARS FOR CNR: The Canadian National Railways has put on display in Montreal one of its 20 new duplex roomette cars, the latest in sleeping car accommodation for rail travellers in Canada. The car, first of its type, will go into service on the Ocean Limited from Montreal to Halifax.

Each car has 24 roomettes, 12 at floor level and 12 raised two steps higher. Each room is completely private and self-contained and the occupant can control the room temperature, ventilation, air conditioning and lighting. There is a wide window to provide a full view of the scenery, fold-away ashtrays, and a foam-rubber seat. The beds in the rooms recess in the walls during daytime occupancy. A sliding door closes off the room and in addition there are curtains over the doorway which can be closed with a zipper.

TRIPARTITE ATOMIC CONFERENCE: Representatives of the atomic energy projects of Canada, the United Kingdom and the United States will attend a technical conference to be held at the Canadian atomic energy establishment at Chalk River, Ontario, March 22, 23 and 24 to discuss problems in the design and application of instruments for detecting and measuring radiations encountered in atomic energy work.

The Conference is being held within the technical co-operation programme as carried on among the respective Governments for the past several years.

The Chalk River Conference will be a closed meeting. It will be highly technical and will deal with detailed applications of instrumenta-

tion, particularly having to do with the reliability of electronic equipment used for radiation detection and measurement.

Representatives from ten atomic energy centres in the United States will attend the conference at Chalk River and the United Kingdom will send two representatives. The Canadian group will be headed by Dr. W. B. Lewis, Director of Research of the Atomic Energy Project, Chalk River.

INAUGURATION OF TCA FLORIDA RUN: Trans-Canada Air Lines has announced the inauguration on April 2 of flights between Toronto and Tampa and St. Petersburg, Florida. The new service will provide the first direct air transportation between Canada and the southern United States and will also link western Florida with Jamaica and the Bahamas.

The north-south route will be flown by four-engine pressurized "North Stars". It is designed to facilitate exchange of business contacts as well as to serve the needs of vacationists from all parts of Canada for quick travel to holiday centres in the Caribbean. It will also open new holiday opportunities in Canada for residents in the southern States. The air line now serves eight major American communities.

The new route was licensed by the Civil Aeronautics Board of the U.S. and is part of the extension of air traffic services agreed upon by Canada and the United States last June.

STEEL CONTROL TO END: The Minister of Trade and Commerce, Mr. Howe, announced on March 15 the end of Steel Control effective March 31. He expressed his appreciation of the manner in which the Canadian steel industry had cooperated with the Department of Trade and Commerce and with the Steel Controller during the period of control.

Steel control was terminated following the end of hostilities in the autumn of 1945, but was reinstated in January, 1946, in the face of a critical world wide steel shortage. The steel situation is now substantially improved and while work stoppages in the United States are having a temporary adverse effect on the Canadian steel situation, the future position is considered satisfactory.

Also announced was the resignation of Douglas A. Jones, Steel Controller, effective March 31, coincident with the termination of control. Mr. Jones is returning to private industry. Mr. Howe paid high tribute to the work of Mr. Jones in maintaining supplies of steel to the Canadian industry through a difficult period, during which he displayed both capacity and ingenuity. "It is largely through his efforts that the Canadian steel situation has been brought to a position which no longer requires government control", Mr. Howe said.

(Continued from P. 1)

being supplied by the Bureau of Statistics in its preliminary trade bulletins. Imports in the former group fell off to \$61,578,000 from \$67,134,000 last year, and in the latter to \$25,447,000 from \$30,220,000. Imports of animals and animal products were down by \$1,500,000 to \$5,251,000 and of the fibres and textiles group about the same amount to \$15,000,000. Increases of lesser amounts were shown in the other groups.

While total imports from the United Kingdom increased slightly in value, imports of fibres, textiles and products -- largest in value -- declined sharply to \$8,593,000 from \$12,098,000 last year, a change which indicates only a moderate drop in volume, however. Minor decreases were recorded also for the non-metallic minerals and miscellaneous groups. All other groups moved upward, non-ferrous metals including platinum showing the largest rise, from \$1,930,000 to \$4,281,000.

Imports from the British West Indies group declined in January to \$1,509,000 from \$1,835,000 in January, 1949; from Commonwealth countries in Africa to \$1,120,000 from \$1,593,000; and from those in Asia to \$6,139,000 from \$6,274,000. On the other hand, purchases from the Oceania group were more than doubled in value at \$1,955,000 compared to \$866,000, led by a rise for Australia from \$715,000 to \$1,455,000. Total value of imports from all Commonwealth countries, including the United Kingdom, increased slightly for the month to \$36,865,000 compared with \$35,986,000.

Due mainly to a drop from \$7,005,000 to \$5,975,000 in purchases from Venezuela, imports from Latin America declined in value to \$12,358,000 from \$14,182,000 a year ago. There were widespread, generally small, decreases in January imports from European countries, the total value for Europe declining to \$5,055,000 as against \$6,649,000. In contrast, the aggregate value of imports from the remaining

foreign countries rose to \$3,085,000 compared with \$1,426,000, the largest gains being in imports from Arabia and the Netherlands Antilles.

Decreases from January last year were recorded for the month in total imports of the animals and animal products, fibres and textiles, iron, and non-metallic minerals group. Largest in value, the iron and products group moved down to \$67,734,000 from \$73,510,000, declines being shown for a majority of main items with the largest in dollar volume in rolling-mill products and engines and boilers. Automobiles and automobile parts were both higher. The non-metallic minerals group, next in size, decreased to \$35,600,000 from \$40,207,000, major reductions being in coal and petroleum products. There was a similar decline in the textiles group to \$29,378,000 from \$35,146,000, with marked decreases in cotton products, wool products and artificial silk and an increase in raw wool. The smaller animals group fell off to \$6,631,000 compared with \$8,891,000.

Among the five other groups, the largest increase was in non-ferrous metals from \$12,876,000 to \$16,531,000, due to sharp gains for precious metals (except gold) and electrical apparatus. Increases in vegetables, coffee, tea and vegetable oils raised the agricultural and vegetable group to \$27,116,000 from \$25,633,000. The wood and paper group moved up to \$7,146,000 from \$6,074,000, and the chemicals and miscellaneous groups were slightly higher at \$10,970,000 and \$10,831,000, respectively.

Various offsetting changes occurred in comparison with imports in December. There were significant declines in such commodities as crude petroleum and products, fruits and sugar, while substantial increases occurred in imports of textile products, platinum, and various sub-groups of iron and its products including farm implements and automobile parts.

WOOL PRODUCTION: Wool production in Canada in 1949, not including Newfoundland, amounted to 9,835,000 pounds, 17.5 per cent below the 11,915,000 pounds produced in 1948, and approximately half as much as in the peak production year, 1945.

Exports of wool in 1949 totalling 3,920,000 pounds, were about a 1,000,000 pounds below the 1948 exports, while imports amounted to 70,720,000 pounds as compared with 95,181,000 pounds in 1948.

DEATH OF MAURICE HARTT, K.C.: The member of the House of Commons, who contested the by-election in Montreal-Cartier riding resulting from the conviction on charges of espionage of Fred Rose, died March 15 in Montreal. Maurice Hartt, K.C., was a prominent figure in Quebec politics and in March, 1947, he resigned from the Quebec Provincial Legislature, to run as a Liberal on a strong anti-Communist platform. He was elected then and again in the general election of 1949 by substantial majorities.



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WEEK'S EVENTS IN REVIEW

NATIONAL DEFENCE REVIEW: Canada's Defence forces are in better shape than ever before in peacetime and defence dollars are being spent in the best way known to make suitable provision for construction, equipment and personnel, according to the Minister of National Defence, Mr. Claxton. Speaking in the House of Commons on March 17 while presenting the estimates for the Department, Mr. Claxton reviewed the progress of negotiations under the North Atlantic Treaty, Exercise "Sweetbriar", and the allocation of appropriations.

Mr. Claxton pointed out that the agencies established at the October meeting of the North Atlantic Treaty defence committee in Washington to plan and co-ordinate collective action under the North Atlantic Treaty had reported on their work to the defence committee meeting in Paris November 30 and December 1. Agreement was reached, he said, on the following:

"1. A strategic concept for the integrated defence of the north Atlantic area.

"2. The means to be taken to arrive at a programme for the production and supply of armament and equipment.

"3. Co-ordination of planning between the various regional groups.

"4. Additional steps to further defence planning of the North Atlantic Treaty organization."

He then stated that "Since the Paris meetings, further action has been taken in the various regional groups....

"Work in the North Atlantic group is being carried right along as Canadian-American co-operation has continued without interruption since our wartime partnership. In connection with the North American group, the United States and Canadian chiefs of staff met together at Washington for the first time on January 17 of this year.

"The north Atlantic ocean group is making good progress with its important problems.

"Further meetings of the military production and supply board, the military committee and the defence committee will take place at the Hague on March 24, March 27 and April 1 respectively....

"Under the North Atlantic Treaty we have not made any specific commitment, but we have given the general undertaking contained in article 3 of the Treaty to take such action as we deem necessary by means of continuous and effective self help and mutual aid to maintain and develop individual and collective capacity to resist armed attack. A second undertaking, as contained in article 5, comes into effect in the event of an armed attack against one or more of the signatories. That undertaking is to take such action as we deem necessary to restore and maintain the security of the north Atlantic area...."

Discussions on defence arrangements, he said, were conducted, during and following the Paris meeting, with opposite numbers of the other countries and conclusions were reached

EXERCISE CARIBEX Firefly aircraft of the Royal Canadian Navy were scheduled to take off at first light March 17 from HMCS Magnificent, 18,000-ton carrier, for a mock attack on the U.S. Navy's Leeward Point Air Base, in Guantanamo Bay, Cuba.

At the same time aircraft from two carriers of a U.S. Navy task force, with which the Magnificent and the destroyer HMCS Micmac had been in company since March 16, were to carry out a strike on Guantanamo Air Base of the USN.

The air strikes concluded the first phase of a series of combined exercises and manoeuvres, designated Caribex and involving units of the United States Atlantic Fleet, the America and West Indies Squadron of the Royal Navy and the RCN.

The programme got under way at dawn on March 16, when the Canadian and United States ships acted as opposing forces. The Magnificent and Micmac, sailing from Guantanamo Bay, proceeded to the northern portion of the Windward Passage, off the east coast of Cuba. The United States force, consisting of the battleship Missouri, two carriers, two heavy cruisers, one light cruiser and 16 destroyers, positioned themselves some 200 miles to the south.

At daybreak on March 16, aircraft from the two forces hunted the opposing ships and delivered simulated bombing, rocket and torpedo attacks on the surface vessels. Results of the engagements are still being assessed, but it is believed considerable success was achieved by aircraft of both sides.

March 16 the two forces joined up and for the next 24 hours operated in company.

On Saturday the Canadian ships carried out anti-aircraft firing practice against high-speed aircraft-towed targets while en route to a position north of Cuba where they met units of the America and West Indies Squadron.

Since the Magnificent and Micmac left Halifax February 13, aircraft of the 18th Carrier Air Group have logged more than 350 flying hours in an intensive flying programme. With the exception of two shore leave periods, one at Charleston, S.C., February 20 to 24, the other at Havana, Cuba, March 7 to 11, air operations have been carried out continuously from the Magnificent.

Good flying weather has played a favourable role in the success of the flying training thus far. The exercises have provided excellent training for the Canadian naval fliers in reconnaissance and strike work. They will concentrate on anti-submarine exercises in a later phase of the training cruise.

U.N. BROADCAST ON DPs IN CANADA: The story of the displaced person in Canada, was told in a United Nations documentary entitled "Tomorrow for Two", broadcast over NBC March 19.

The documentary answered the question, "What happens to the displaced person in build-

ing a new life in a strange country?" It told how an official of the International Refugee Organization went to Canada on a routine check of the welfare of DPs resettled in that country. He visited two former inmates of the Austrian DP camp of which he was director. In dramatic documentary form, the programme described how this couple became useful, healthy members of the Canadian community and, for the first time in many years, learned to enjoy living.

Herbert Marshall, British-born motion picture actor, played the starring role. He flew to Toronto where the programme originated. The programme was directed by Mavor Moore and produced by Gerald Kean, both of U.N. Radio. A special musical score was written and conducted by Louis Appelbaum, distinguished young Canadian composer.

FISHERIES COUNCIL MEETS The Fisheries Council of Canada held its fifth annual meeting in Ottawa on March 21 and 22. The main topic of discussion was the co-operation of the industry with the federal Department of Fisheries in the development programme for Canada's fisheries. This programme, which was announced last December by the Minister of Fisheries, Mr. Mayhew, calls for expansion of North American and overseas markets, development of low income fishing areas, and increased consumer education services to boost the consumption of fish on the domestic market. Mr. Mayhew addressed the Council on the opening day of the meeting.

Canada's 10 provinces were represented by those attending the meetings. They included 61 delegates from the 16 regional organizations that make up the Council, observers from among the membership of these organizations and federal and provincial representatives. F. Homer Zwicker, of Lunenburg, President of the Council, was chairman of the two-day session.

FISHERIES EXPORTS IN 1949: Exports of all fisheries products from Canada (including Newfoundland) declined by about 12 per cent during 1949. In 1948, Canada and Newfoundland together exported to other countries a record total value of \$120.4 million of fish and fishery products. In 1949, this total had dropped to \$106.2 million, this decline being due to a lower catch and to some slowing down in the marketing of certain forms.

Analysis of the exports of fisheries products is complicated somewhat by the entry of Newfoundland into Union at the end of the first quarter. The export statistics published by the Bureau of Statistics show total fishery exports of \$100.2 million. This includes \$14.2 million worth which was exported directly from Newfoundland ports during the last nine months of the year. Consequently, exports from the nine older provinces amounted to approximately \$86 million as compared to \$89.8 million in 1948, or a decline of approximately 4 per cent.

CANADA-NORWAY VISA AGREEMENT: The Department of External Affairs announced on March 20 that effective April 1, Canadian visitors to Norway who hold valid Canadian passports do not require Norwegian visas as a condition of entry to Norway.

This relaxation of the Norwegian visa requirements is the result of an agreement just concluded between Canada and Norway under which Norwegian visitors coming to Canada from Norway may receive from the Canadian Legation in Oslo multi-entry visas, free of charge, valid for an unlimited number of entries to Canada during a period of twelve months from the date of issue of the visas.

This agreement in no way exempts Canadian and Norwegian visitors from the necessity of complying with the immigration and residence regulations of Norway or Canada.

Non-immigrant visa modification agreements have previously been concluded with Sweden, Denmark, Belgium, Luxembourg and the Netherlands.

LABOUR INCOME UP: Estimated total of salaries and wages and supplementary labour income in 1949 stands at \$7,630,000,000, or about seven per cent higher than the revised estimate of \$7,113,000,000 for the preceding year. Increases were recorded in all industries with the exception of forestry and fishing, the decline in the former being substantial.

Labour income in agriculture, logging, fishing, trapping and mining as a group totalled \$586,000,000 in 1949 as compared with \$622,000,000 in the preceding year. In manufacturing, labour income for the year totalled \$2,582,000,000 compared with \$2,422,000,000 in 1948. In construction the year's total was \$527,000,000 compared with \$478,000,000 in the preceding year. The estimated total for utilities, transportation, communication, storage and trade for the year amounted to \$2,022,000,000 as compared with \$1,846,000,000 in 1948. In finance and services -- including government -- the year's labour income aggregated \$1,655,000,000 as compared with \$1,510,000,000 the year before. Supplementary labour income in 1949 totalled \$252,000,000 as compared with \$236,000,000 in 1948.

FARM LIVING COSTS ADVANCE: Overall cost of commodities and services used by Canadian farmers showed a slight drop in the five months from August last year to January this year, while farm living costs increased, according to indexes compiled by the Bureau of Statistics.

The Bureau's composite price index of commodities and services used by farmers, including farm living costs, declined from 192.3 for August to 187.9 for January. At the latter level, however, the index was fractionally

above the standing of 187.7 for January, 1949. The drop of 4.4 points from August to January this year was due entirely to a sharp seasonal drop in farm wage rates, the index of which fell from 388.1 to 324.8. Exclusive of farm living costs, the composite index fell from 204.2 for August to 196.3, which compares with 198.3 in January last year.

Reflecting increases for foods, fuel, health and maintenance, and miscellaneous items for both eastern and western Canada, the index of farm family living costs rose from 174.5 for August to 175.3 for January. The latest index was 3.5 points above the index for January, 1949. Clothing and household equipment remained unchanged in the five months.

Indexes for farm equipment and materials increased 4.2 points, rising from 180.2 to 184.4, the latter level comparing with 180.3 in January last year. Among its components, price indexes were higher in January this year than in August for farm machinery, building materials, gasoline, oil and grease, feed, fertilizer, seed and hardware, but was unchanged for binder twine, while all sub-groups moved higher than a year ago except seed.

CANADIAN OVERSEAS TELECOMMUNICATION CORP.: Appointment of David Leo Howard, who is Assistant General Manager of Canadian Pacific Communications, as President and General Manager of the Canadian Overseas Telecommunication Corporation, a new Crown company, was announced on March 17 by the Minister of Transport, Mr. Chevrier.

The bill covering the establishment of this Crown company received parliamentary sanction in the House of Commons on November 25, 1949. In advocating its passage, Mr. Chevrier told of similar legislation having been passed by other governments of the Commonwealth to set up national bodies in order to bring about the consolidation and strengthening of the radio and cable communication systems of the Commonwealth.

Canada is a signatory to the Commonwealth Telegraphs Agreement which was signed by representatives of the Commonwealth governments on May 11, 1948. In effect this agreement commits each partner government to acquire the external telecommunication assets operating within its territory with the exception of "Cable Heads", and in Canada it will mean acquiring for public operation such assets of Canadian Marconi Company Limited and Cable and Wireless Limited.

The Board of Directors for the new Crown company was also made known by the Minister, and in addition to Mr. Howard, the Board will have as its members Lt. Col. Henri Gagnon, Quebec, P. Q.; R.M. Brophy, Toronto; J.H. Hamilton, Vancouver, B. C.; and C.P. Edwards, Ottawa, Deputy Minister (Air), Department of Transport.

That neither war nor peace was inevitable. The steps taken to implement the North Atlantic Treaty had increased the improbability of military aggression and had strengthened the faith of Western European nations in the possibility of resisting aggression. The exchange of information between the signatories to the Pact was already resulting in greater efficiency and increased co-operation. The greatest shortage was equipment.

Mr. Claxton declared he had an announcement to make which would be of considerable interest. He explained:

"One of the purposes of the trip was to look into the question of officer training and to see if there was a way in which the considerable facilities which we have in Canada could be utilized for the benefit of the North Atlantic Treaty organization in general....

"On this trip, therefore, without commitments on either side, I asked the Defence Ministers of the countries visited whether or not they thought it would be desirable for us to offer to have some of their officers come to Canada for part of their training. Several of the countries already have similar arrangements for training in other countries, though on a smaller scale than we had in mind. The replies received from Ministers and Service Heads led me to recommend to my colleagues that we should make the offer....

"Accordingly we have forwarded, through the representatives in Ottawa of the countries concerned, letters to the Defence Ministers of the North Atlantic powers offering to train a total of 150 officers of the ground forces and 100 officers of the air forces from the various countries. It is assumed that the training proposed would last about a year, and that if the number of members of the other forces are available to come the plan would continue so there would be a continuing offer to train a total of 250 officers each year. The arrangements proposed do not contemplate any payments between countries. Later a reverse operation may be worked out whereby Canadian personnel would do training in other countries on a similar basis. This arrangement will be combined with the existing reciprocal arrangements that we have with the United Kingdom, the United States and France...."

Exercise "Sweetbriar" was reviewed by the Minister who stated:

"The most important single result of the exercise is that, of the armed forces that were engaged there, there are now over 5,000 United States and Canadian personnel who hold the Arctic in a healthy respect but no fear, who know that they can live there provided they meet the tough and challenging conditions....

"In addition to the lesson which we learned on exercise 'Sweetbriar', that we could live and work in the north country, we had additional confirmation of our ability to work with the American forces."

Mr. Claxton proceeded to give details on the appropriations being requested to support the armed forces. He said the Department was seeking \$425 million which was allocated between the navy, army, air force and defence research, between construction, equipment and personnel, between active, reserve and cadet services. He reported that:

"The proposed allocation of this appropriation of \$425 million as between the various defence functions provides that the expenditure for the Royal Canadian Navy be increased from \$67 million last year to \$82 million for the coming year. This increase is mostly attributable to the cost of implementing the previously announced programme of construction of three new anti-submarine escort vessels, one arctic patrol vessel--ice breaker; a gate vessel, and four minesweepers.

"The Royal Canadian Air Force expenditure would likewise be increased from \$138 million to \$169 million to cover the costs of manufacture of the F-86A fighter aircraft and the CF-100 all-weather fighters, as well as radar equipment.

"The expenditure for the army is being decreased from \$135 million to \$130 million because of the urgent requirements of the other two services for equipment. The provision of major items of new equipment for the army is being deferred in view of the relatively large present holdings of fighting equipment of this service....

"As at January 30, 1950, the total strength of the three services--that is, the active force--was 47,163 officers and men, representing 93 per cent of the present establishment and an increase of 2,004 over the figure for September 30, 1949, given in paragraph 93 of the white paper....

"We are continuing to place great emphasis on the air force, but not to the point where the proper balance between the three services is ignored. Air force equipment is immensely expensive, and we are spending very much more on the air force than on the other two services--it may surprise hon. members to learn, a far greater proportion than is being spent in other countries.

"In the current year there is being spent on the air force in the United Kingdom 29 per cent, France 30 per cent, United States 34 per cent, but in Canada 42.6 per cent. This proportion will be further increased to 44.8 per cent for 1950-51, if the House votes the present estimates....

"Defence research activities have been carried on on an increased scale, maintaining close co-operation with research activities in other countries and with other research activities in Canada.

"In civil defence we have completed the stage of planning at the federal level....

"Our over-all plan we believe meets the strategical needs of Canada and makes the best use of the resources available...."

Mr. Claxton brought up the question of procurement of equipment and stated:

"This question of equipment is extremely important, particularly in view of the close relations between the United States and Canada.

"The integration of industrial capacity under the Hyde Park declaration helped to win the war. A similar arrangement is in the interest of both the United States and Canada in peacetime. The continuation of the general principles of the Hyde Park declaration was accepted in an exchange of notes in May, 1945, and the joint declaration of February 12, 1947. I may say that our friendly discussions with members of the administration in the United States and with their highest service officials show that they hold the same view as we do. It makes sense for Canada and the United States to co-operate industrially and economically with relation to defence as well as in training and command and battle practices.

"In consequence of discussions I am glad to say that, pending a more satisfactory permanent solution, temporary arrangements have been worked out which permit purchasing of some equipment in the United States, but there is still the problem of finding the United States dollars."

CURRENT EMPLOYMENT PICTURE According to a statement made by the Minister of Labour, Mr. Mitchell, on March 20, the employment situation is continuing to improve. Exclusive of new registrations by those claiming supplementary benefits under recent changes in the Unemployment Insurance Act, the number of persons registered for work at National Employment Service Offices numbered 372,900, a decline of 8,000 from the peak figure of 380,900 on February 9. The new registrants under supplementary benefits are excluded from the March 2 total in order to arrive at a figure comparable to February 9.

On March 2, the local offices had received about 12,000 applications for these supplementary benefits, of which 3,000 were made by persons not previously registered. The total number of job seekers at March 2 was 375,900.

The trend in employment is shown by the following figures on persons seeking work through National Employment Service Offices. On February 2-375,500, on February 9-380,900, on February 16-378,300, on February 23-374,500, and on March 2-372,900 (excluding 3,000 new registrants under the supplementary benefit programme).

At the present time, an estimated 82 per cent of all job seekers registered at National Employment Service Offices are receiving or claiming normal unemployment insurance benefits. The payment of supplementary benefits during the month of March will probably increase this proportion considerably. During February, benefit payments totalled \$13,600,000.

In the Atlantic region, just over 11 per cent of the labour force was looking for work through National Employment Service Offices at the beginning of March, as compared with 10.2 per cent at the same time last month. Most of the increase in job seekers is due to conditions in Newfoundland. In the Quebec region, there has been an increase in the number of registered job seekers during the week of March 2, due to the fact that many loggers are claiming supplementary benefits. In the Ontario region, the proportion of job seekers to the labour force remains at about 5 per cent, well below the national average. In the Prairie region, as in Ontario, the proportion of job seekers to the labour force remains at about 5 per cent. Employment in the Prairies has shown the greatest relative gain over the level of last year among the five regions. The rural electrification programme, and the oil developments in Alberta are among the important factors contributing to an expansion of production and employment. In the Pacific region, there has been a steady decline in the number of job seekers registering at National Employment Service Offices. Since the middle of February, about 10,000 loggers, construction and sawmill workers have returned to their jobs.

BRAZILIAN GOVERNMENT SCHOLARSHIP. The Department of External Affairs announced on March 17 that the Brazilian Government has offered a scholarship to be awarded to a Canadian citizen for study at a recognized Brazilian university. The scholarship is open to any student who will have received, by the end of the present academic year, a degree higher than Bachelor of Arts.

The scholarship is intended to run for six months from the date of arrival of the chosen candidate in Rio de Janeiro, which must be not later than July 1 of this year. Its total value is approximately \$1200.00 (22,800 cruzeiros). The successful candidate will be expected to pay his own travel expenses to and from Brazil.

CANADA UNITED STATES HIGHWAY TRAFFIC: Highway traffic between Canada and the United States was seven per cent higher in January than in the same month last year. Canadian traffic returning from the United States was up 13 per cent, and United States traffic entering Canada increased by five per cent. Aggregate border crossings in January totalled 461,200, United States vehicles numbering 305,400 and Canadian vehicles 155,800.

Foreign vehicles entering Canada on traveller's vehicle permits increased nine per cent in February, numbering 39,033 as compared with 35,826 in the corresponding month last year. All provinces reported gains except Ontario and Nova Scotia.

"MAGNIFICENT" THEORETICALLY SUNK: HMCS Magnificent at Sea, March 17 -- The aircraft carrier Magnificent and her destroyer escort, HMCS Micmac, theoretically were sunk on March 16 when numerous United States naval aircraft carried out simulated attacks on the two Canadian ships off the east coast of Cuba in the first phase of combined exercises in the Caribbean.

In the same exercises Canadian Naval Firefly aircraft theoretically crippled the US carrier Philippine Sea, the battleship Missouri and the heavy cruiser Salem and strafed supporting destroyers.

Although the Canadian ships and aircraft were outnumbered approximately 11 to one by the opposing force, the Canadian aircrews scored two successful strikes against the enemy without being intercepted. The Magnificent's lack of fighter cover while her strike aircraft were away left her vulnerable to wave after wave of American jets, dive bombers and fighters, which, in actual warfare, would have spelled destruction.

(The RCN fighter squadrons, 803 and 883, armed with high speed Sea Fury aircraft, are at present engaged in intensive training at the Naval Air Station at Dartmouth, N.S. Normally the Magnificent would not operate without her fighter umbrella).

"The exercise proved a great success and it also demonstrated that we are sitting ducks for any type of air attack without our fighter aircraft", Commodore K. F. Adams, RCN, commanding officer of the Magnificent, stated at the close of the air battle.

Commodore Adams was well satisfied with the performance of the search aircraft, which detected the "enemy" some 100 miles away within three-quarters of an hour of take-off, and that both Canadian air strikes were carried out without "enemy" air interception.

55,000,000 H.P. POTENTIAL: The Minister of Resources and Development, Mr. Winters, has issued the annual review of the Water Resources Division, Development Services Branch, which covers the potentially available and currently developed water resources of Canada.

The currently recorded waterpower resources of Canada, including the new Province of Newfoundland, are shown as totalling nearly 27,000,000 h.p. under conditions of low stream-flow, and nearly 43,000,000 h.p. at average flow. The latter figure represents a feasible turbine installation of over 55,000,000 h.p. At the close of 1949, total turbine installation is given as 11,613,333 h.p. indicating that only 21% of available resources has been developed. During 1949, hydro-electric construction was very active with 480,565 h.p. of new capacity coming into operation. Good progress was also made on other new developments, and on projects in course of investigation and planning.

About 90% of hydraulic plants serve as

central electric stations and, in 1949, with production reaching a new high level, a primary demand curtailed the use of secondary power. The pulp-and-paper and mineral industries are the more important consumers of hydraulic power. The installed capacity of waterpower plants in Canada now equals 857 h.p. per thousand of population.

RADIOLOGICAL HEALTH PROGRAMME: The industrial Health Division of the Department of National Health and Welfare has just formed a new section to develop a radiological health programme to meet potential health hazards created by the increased use of radioactive materials and radiation-producing apparatus.

This was announced on March 22, by the Minister of National Health and Welfare, Mr. Martin, who said that the Civil Service Commission had approved the appointment of Dr. C.H. Guest, Chalk River, Ont., to take charge of this work. Dr. Guest was formerly head of the Health Radiation Branch in the National Research Council's atomic energy project at Chalk River.

According to Dr. K.C. Charron, chief of the Industrial Health Division, more and more radioactive materials are being distributed in Canada. Many of the universities are now receiving them for medical and biological research as are a few of the larger hospitals. Industry has also begun to use radioactive substances, particularly radium and radioactive cobalt.

RCAF ANNUAL CONFERENCE: Senior RCAF officers from across Canada and from Air Force staffs in the United Kingdom and the United States met in Ottawa Monday, March 20, for the annual Headquarters conference at Air Officers' Commanding.

The conference discussed RCAF operations during the last year and future plans, in addition to overall Air Force policy.

The Minister of National Defence, Mr. Claxton, greeted the officers. The conference was headed by Air Vice Marshal A.L. James, CBE, acting Chief of the Air Staff.

HOURLY EARNINGS AT PEAK: Average weekly wages paid to hourly-rated wage-earners employed by leading Canadian manufacturing establishments at January 1 this year amounted to \$40.48, down \$2.42 from the peak figure for December 1, but \$1.02 above the January 1949 average of \$39.46. The decline from December 1 was due to the observance of holidays and to seasonal inactivity in certain industries.

Hourly earnings reached a new maximum of 101.2 cents at January 1, an increase of 1.2 cents over December 1, and an advance of four cents over January, 1949.

IN PARLIAMENT

77,000 D.P.'s: During discussion of an item in the estimates of the Department of External Affairs to provide further funds for the International Refugee Organization, The Secretary of State for External Affairs, Mr. Pearson, said on March 21:

"It may be of interest to the Committee to know that because of the work of the IRO 690,000 refugees have now been moved out of Europe or from refugee camps to other countries. It is anticipated that there will be only a small number left by the end of June of this year. Of that number of 690,000, Canada has received some 77,000; Australia, 105,000; France, 36,000; Israel, 116,000; The United Kingdom, 83,000; and the United States of America, 150,000...."

ABDUCTION OF GREEK CHILDREN: Following protests by Mr. Donald M. Fleming, (PC—Eglinton) and Mr. Andrew W. Stuart, (Lib.—Charlotte, N.B.) at the abduction of thousands of Greek children by communist guerrillas, the Secretary of State for External Affairs, Mr. Pearson, spoke, in part, as follows in the House of Commons on March 21:

"I agree with the two hon. gentlemen who have just spoken, that among all the evil and vicious actions of the communist guerrillas in Greece and southeast Europe the abduction of the children from Greece into the communist countries has been possibly the most evil and the most vicious. As the hon. member for Eglinton has just pointed out, the situation has been discussed by the United Nations Assembly on two occasions. At the last Assembly we succeeded in getting through a resolution which even the communist states could not oppose. That resolution, if I remember it correctly, would have made it easier for the International Red Cross to go into those countries where these children are kept and investigate, report and help repatriate them. We hope, that as a result of that resolution, some progress has been made. What it is, I am not in a position to state at this time, although I understand the situation in Yugoslavia has been greatly improved.

"I believe that the Director of the International Red Cross will be in Ottawa before long. I shall then have an opportunity of talking about this matter with him, and I shall be glad to follow it up to see if there is anything more we can do. If there is, we should be happy to do it...."

CIVIL AVIATION APPOINTMENT: Appointment of J.R.K. Main to the newly created post of Assistant Controller of Civil Aviation at Ottawa is jointly announced by the Minister of Transport, Mr. Chevrier, and the Civil Service Commission. Mr. Main was District Controller of Air Services with headquarters at Edmonton

and he will be succeeded by Dr. T.G. How who is presently Superintendent of public weather forecast services at Toronto headquarters.

RECORD PETROLEUM PRODUCTION: Canadian production of crude petroleum rose to an all-time record total in 1949, due principally to sharply increased output from the Leduc and Redwater fields of Alberta. Production from the Lloydminster field also advanced, while output from Turner Valley was lower.

According to preliminary figures, the year's output of crude petroleum aggregated 21,487,130 barrels, an advance of 74 per cent over the preceding year's figure of 12,368,042. December's output was 1,782,856 barrels, moderately below the 1,915,028 produced in November, but above the December, 1948 total of 1,247,654.

Alberta accounted for 20,246,466 barrels in 1949 as compared with 10,973,583 in 1948. Leduc's output rose to 9,688,784 from 4,657,371 in 1948, Redwater to 4,793,491 barrels from 3,875, and Lloydminster to 716,941 barrels from 648,055

Crude output from Turner Valley fell to 3,826,543 barrels from 4,428,688, Taber to 150,746 barrels from 201,527, Conrad to 139,728 barrels from 182,255, Princess to 121,227 barrels from 187,084, and Vermillion to 86,933 barrels from 112,331.

The year's output in Saskatchewan amounted to 779,962 barrels as compared with 847,095 in 1948. Ontario 258,374 barrels compared with 176,225, Northwest Territories 182,783 barrels compared with 349,768, and New Brunswick 19,545 barrels compared with 21,371.

CANCER CONTROL FACILITIES: Within five years there will be unexcelled cancer control facilities in every Province in Canada, declared the Minister of National Health and Welfare, Mr. Martin, speaking on March 22, in Windsor, Ontario.

Federal grants are making it possible for the Provinces to extend their laboratory and pathological services, to employ and train more cancer specialists, to provide them with more radium, to establish more free biopsy services and to carry on programmes of health education essential to success in the fight against this disease.

The Minister declared that, since the National Health Programme was launched by the federal Government, great progress had been made against cancer as well as in other health fields because of the federal grants available. New and free cancer diagnostic clinics had been established and existing clinics were strengthened, hospitals had been reimbursed in part for the cost of cancer patients, free x-ray and radium therapy was being supported in certain provinces and many workers in cancer control were receiving specialized training.

DIVORCE RATE DROPS SHARPLY. Both in number and rate, divorces in Canada have dropped off sharply in the last two years, after a rapid climb during the war and early post-war years from 1941 to 1947. In 1948 the number fell 16 per cent from the all-time high in 1947, and last year showed a further drop of 14 per cent. In the two years the all-Canada divorce rate has fallen from 65.3 to 44.9 per 100,000 population.

According to preliminary figures, divorces in 1949 totalled 5,911, down from the preceding year's figure of 6,881, but a sharp advance over the 1940 total of 2,369. The decrease from 1948 lowered the rate per 100,000 population from 53.5 to 44.9. In 1940 the rate was 20.8.

WHOLESALE SALES DOWN. Sales of wholesalers in January this year were five per cent lower than in the same month last year, and 11.4 per cent below December 1949, according to statements submitted by 367 wholesalers representing nine lines of trade.

The unadjusted index of sales for the nine trades, on the base, average for 1935-39=100, stood at 231.8 for January, compared with 243.2 for January, 1949, and 261.5 for December last year.

All regions of the country shared in the general decline in sales except the Maritimes, where a fractional gain of 0.6 per cent was

recorded. Sales in the Prairie Provinces and Ontario were each down four per cent from a year ago, Quebec seven per cent, and British Columbia nine per cent.

MINERAL PRODUCTION INCREASED: Production of 11 of Canada's 16 leading minerals was increased in 1949 over the preceding year, asbestos, gypsum, lead, lime, and nickel showing declines. In December, production was lower than a year earlier for clay products, coal, gypsum, lime, nickel and salt.

According to preliminary figures, output for the year by items, was as follows, totals for 1948 being in brackets: asbestos, 573,668 (716,769) tons; cement, 15,916,564 (14,127,123) barrels; clay products, \$17,669,815 (\$17,234,475); coal, 19,109,747 (18,449,689) tons; copper, 525,983,025 (481,463,966) pounds; gold, 4,112,626 (3,529,608) fine ounces; iron ore, 3,774,525 (1,337,244) tons.

Lead production in the year amounted to 320,984,062 pounds compared with 334,501,917 in 1948; lime, 1,019,110 (1,050,427) tons; natural gas, 62,089,307 (58,603,269) M cubic feet; nickel, 252,168,484 (263,479,163) pounds; petroleum, 21,487,130 (12,368,042) barrels; salt, 749,727 (741,261) tons; silver, 17,377,194 (16,109,982) fine ounces; zinc, 581,382,544 (468,327,036) pounds; gypsum, 2,994,797 (3,216,809) tons.



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WEEK'S EVENTS IN REVIEW

BUDGET ADDRESS: Immediate removal of the eight per cent sales tax on ice cream, dairy drinks and prepared whipping cream; removal on July 1 of the sales tax on purchases by orphanages and institutions for aged and infirm; and the immediate lifting of the five per cent excise tax on toilet soap were the main tax changes proposed by the Minister of Finance, Mr. Abbott, in his Budget address in the House of Commons on March 28.

The proposals left the Government's main tax structure virtually unchanged, with no changes in personal income tax levies. Minor and technical changes were proposed in tariff schedules, and, retroactive to January, 1949, a change in the application of the 10 per cent corporation tax on profits of related companies which is calculated to permit a wider group to obtain the preferred rate on the first \$10,000 of profit. Farmers and fishermen are to be permitted option of two depreciation methods for tax purposes. In view of recent public interest, the Minister announced: "It is not the policy of the Government to tax capital gains".

The Minister announced a new system of taxing accumulated surpluses of family corporations under which a closely-held corporation may elect to pay a tax on undistributed income on hand at a flat rate of 15 per cent, and, for the future, may, to the extent that it pays out earnings in dividends, earn the right to capitalize an equivalent amount upon

payment of a special tax of 15 per cent.

Mr. Abbott summarized the effects of the proposed tax changes on the balance of revenues and expenditures as follows:

"The various tax reductions which I have proposed should not in all involve a loss of revenue of more than \$3 million. The revenue from the new tax available to closely-held companies in respect of accumulated earnings cannot be predicted, because we cannot tell how many of these companies will elect to take advantage of the new provisions in the next fiscal year. The revenue we receive could be quite large. I believe that it will at least be sufficient to offset the reductions just mentioned.

"This, then, leaves our expected expenditures at \$2,410 million, our expected revenues at \$2,430 million, and our expected surplus for the coming year at \$20 million."

In his analysis of government financial responsibilities he said that unless Parliament and the public were prepared to reduce the scope or scale of government activities, "we must now expect \$2,400 million budgets in future years". To this he added:

"Nor can we escape the tax implications of this conclusion. We must have a tax system that will at least balance the Budget in good years, in those times when private expenditures and exports will sustain our employment and incomes at high levels, for otherwise we should slide quickly into inflation at such times and

TO REDEEM TWO BOND ISSUES: The Minister of Finance, Mr. Abbott, announced on March 27, that the Government has called for redemption in June two outstanding bond issues, totalling \$745 million. They are the First Victory Loan, sold in 1941, and outstanding in the amount of \$643,534,250, and a three per cent issue sold in 1935 and outstanding in the amount of \$95 million. Holders of First Victory Loan Bonds will receive \$101 for every \$100 they have invested. The one per cent premium means that \$650 million will be paid out in retiring the issue.

Maturity date of the First Victory Loan Bonds was June 15, 1951, but the Government has decided to call them one year earlier in accordance with the provisions of the bonds. The Minister emphasized that it was in the interests of all holders of First Victory Loan Bonds that they present their bonds promptly for payment on or soon after June 15, 1950, because after that date this issue will no longer earn interest. The last two coupons on the bond, dated December 15, 1950, and June 15, 1951, are therefore not cashable.

The second issue, totalling \$95 million, scheduled to mature on June 1, 1955, has been called for redemption on June 1, 1950, in accordance with conditions stated on the bonds.

The Government, he said, has not in prospect adequate cash resources to retire the called issues without a refunding loan. For that reason a new issue will be announced shortly before the time for payment of the called issues. It is expected that the new issue will include some longer-term bonds suitable for general public investment, as well as a substantial amount of short-term bonds. Mr. Abbott stated that the call and refunding of these issues would result in a reduction in the cost of interest on the public debt.

NEARLY 91,000 NEW DWELLINGS: Construction of dwelling units in Canada boomed along at a record-setting pace in 1949, the year's completions from new construction and conversions of existing structures reaching an all-time peak total of 90,955 units as compared with 81,243 in 1948. The year's increase of 9,712 units was entirely due to the marked upswing in new construction, which resulted in the completion of 87,533 units as compared with 76,097, conversions falling off to 3,422 units from 5,146.

Starts, excluding conversions, were down slightly in the year to 89,509 units from 90,194 in 1948, while the carry-over of dwelling units under construction at the end of the year, at 58,169 units was higher than the 1948 year-end total of 56,456 units. The small increase in this carry-over may indicate a

levelling-off in the volume of residential construction.

There were increased numbers of dwelling units completed in 1949 in all provinces, except New Brunswick and British Columbia. Starts were up in Prince Edward Island, Ontario and Manitoba, but lower in the rest of Canada, and the carry-over of uncompleted dwellings at the year-end was higher in Prince Edward Island, New Brunswick, Quebec, Ontario and Manitoba.

Completions in Ontario in 1949 rose to 31,440, from 26,391 in the preceding year and in Quebec to 22,912 from 20,171, but were down slightly in British Columbia to 10,272 from 10,731. In Alberta, completions totalled 9,411 compared with 6,223; Manitoba, 4,807 (4,561 in 1948); Saskatchewan, 3,576 (3,211); Nova Scotia, 3,057 (2,588); New Brunswick, 1,801 (1,991); and Prince Edward Island, 258 (230).

FARM CASH INCOME \$2,456,871,000: Cash income of Canadian farmers from the sale of farm products in 1949 -- excluding Newfoundland -- amounted to \$2,456,871,000, according to the regular preliminary estimate by the Bureau of Statistics. This total is above the advance preliminary figure of \$2,409,165,000 published by the Bureau on January 7, but is slightly below the revised 1948 peak total of \$2,459,393,000. Income in 1947 amounted to \$1,967,263,000.

The maintenance of farm cash income last year at a near-record level may be largely attributed to increased returns from the sale of wheat and live stock and the substantial grain equalization and participation payments distributed in 1949 for previous years' crops. The latter payments amounted to \$220,000,000 in 1949 compared with \$179,800,000 in 1948. In addition, supplementary payments made under the provisions of the Prairie Farm Assistance Act in 1949 totalled \$17,628,000 compared with \$20,748,000 in 1948.

Cash income from the sale of grains, seed and hay rose to \$855,913,000 in 1949 from \$808,601,000 in the preceding year, wheat alone accounting for \$464,786,000 compared with \$407,851,000. Income from the sale of live stock totalled \$806,212,000 compared with \$787,375,000, dairy products \$350,032,000 compared with \$386,551,000, vegetables and other field crops \$154,737,000 compared with \$159,422,000, and fruits \$45,352,000 compared with \$46,901,000.

Other products -- eggs, wool, honey, and maple products -- accounted for \$119,435,000 compared with \$146,017,000, forest products sold off farms for \$69,928,000 compared with \$69,179,000, fur farming \$8,896,000 compared with \$9,958,000, and miscellaneous farm products \$46,366,000 compared with \$45,389,000.

"CARIBEX" EXERCISES HIGHLY SATISFACTORY

CANADA-U. S. JOINT MANOEUVRES: H. M. C. S. Magnificent, At Sea, March 24 -- Commodore K. F. Adams, commanding officer of H. M. C. S. Magnificent and senior Canadian naval officer afloat, has expressed himself as being highly pleased with the performance of Canadian naval ships and aircraft in the series of joint exercises carried out by United States, British and Canadian units in the Caribbean over the past two weeks.

Designated "Caribex", the combined manoeuvres consisted principally of anti-submarine and air defence exercises. Canadian ships taking part were the Magnificent and the destroyer Micmac (Lieut.-Cdr. F. C. Frewer, R.C.N.). The Carrier was armed with two Firefly squadrons, 825 and 826, comprising the 18th Carrier Air Group.

"This has been our first opportunity to operate as a unit of a fleet and the results of the exercises have proven to me, from both the air and surface points of view, that we are capable of taking our place in any fleet." Commodore Adams stated.

ANTI-SUBMARINE EXERCISES

The final phase of "Caribex" consisted of three days of intensive anti-submarine exercises involving some 100 warships, 11 U. S. submarines and more than 100 aircraft. The scene of operations stretched from the Bahamas northward for 600 miles.

With respect to the part played by Canadian carrier-borne aircraft, Commodore Adams said, "Our air department maintained constant patrols from daylight until darkness and the fact that we were not attacked during these hours is evidence that the submarines had great respect for our airmen."

On the first night of the exercise, green flares popped to the surface near the Magnificent on three different occasions, indicating that submarines had carried out attacks on her.

The next day the Magnificent's aircraft intercepted a striking force of the "enemy's" fast, light dive bombers but due to the overwhelming numbers of the latter, it was considered that some got through to their target.

On the second night, the destroyer screen around the Magnificent and H. M. S. Glasgow detected submarines and dropped grenades to indicate that they had made attacks.

On the morning of the final day, a severe weather front interfered with early flying, but later the aircraft found four submarines some distance behind the fleet, making full speed on the surface in an attempt to catch up and attack from astern. Just before the exercises terminated, the destroyer screen obtained another submarine contact and carried out a dummy attack.

"MAGNIFICENT" IN ANTI-SUB "ACTION" HMCS Magnificent At Sea, (Delayed by Radio Silence) -- The Royal Canadian Navy Task Group which has been exercising in the Caribbean for the past month joined up with Royal Navy and United States Navy warships some 80 miles north of the southern-most island in the Bahama chain early March 20 to form one of four task forces moving northward through an area 600 miles long in one of the biggest hide-and-seek war games between submarines, surface vessels and aircraft since the end of the Second World War.

Somewhere in this 600-mile expanse of ocean, off the eastern seaboard of the United States, were 11 U. S. submarines. They were assisted by flying boats operating out of Miami, Florida, and providing information for the submarines regarding the disposition of the fleets. Meanwhile, the surface forces wended their way northward, endeavouring to elude the submarines. Failing that, they called on everything in the book of anti-submarine warfare in their efforts to detect and destroy the underwater "enemy".

GUIDE OF THE FLEET

The British cruiser, HMS Glasgow, flying the flag of Vice-Admiral R. V. Symonds-Taylor, C. B., L. S. C., Commander-in-Chief of the American and West Indies Station, was the flagship for a task force made up of ships of three navies. HMCS Magnificent, flying the broad pennant of the Senior Canadian Naval Officer Afloat, was guide of the fleet. Other ships included HMS Snipe, HMCS Micmac, four U. S. destroyers and four U. S. minesweepers.

This force was supported in the air by two squadrons of anti-submarine aircraft of the 18th Carrier Air Group, operating from Magnificent, and 60 land-based long range reconnaissance and anti-submarine patrol aircraft operating from various points on the eastern U. S. seaboard.

Magnificent's aircraft carried out regular patrols some 50 miles ahead of the fleet. It was their job to keep the submarines below the surface, severely limiting their ability to make visual contact with the fleet and forcing them to operate at reduced speed.

This anti-submarine exercise was the second phase of Exercise "Caribex". At the conclusion, theoretical hits and sinkings will be tallied, giving an idea of the victors in the exercises.

The other three fleets included Task Force 21, with which the Canadian ships exercised in the first phase of "Caribex", a logistic force consisting of oilers and fleet supply ships, and a hunter-killer force.

Radio silence was maintained throughout the exercise.

THE INTEGRITY OF THE CIVIL SERVICE

MR. PEARSON'S ADDRESS: While the Government has the obligation to take every necessary measure to root out "treason and sedition" in its midst, it also has the duty of protecting the state system and its servants against policies which would destroy its efficiency and free democratic character, the Secretary of State for External Affairs, Mr. Pearson, said in an address before the Professional Institute of the Civil Service of Canada on March 25. He added the hope that in Canada we would never "yield to hysterical clamour for a witch-hunt."

Speaking of the effect on the relationship between the Civil Servant and its employer, the Government, of the concerted communist attack which today was being made upon the free world, Mr. Pearson said one of the most serious problems was the reconciliation of individual freedom and group security. This problem became more important and more difficult, he said, as we became increasingly conscious of the threat to our free society and individual liberty of Communism as the instrument of Soviet Imperialism.

MOST SERIOUS ISSUE

Even as an exclusively domestic issue the struggle against Communism would be just about the most serious issue of the day, "but the situation becomes infinitely more dangerous when we know, as we do know, that those who lead the communist forces in our country - and in other countries - are not inspired by feelings of patriotism for the national cause - however wrong and misguided - but are the agents - open and unabashed - of a foreign Imperialism...."

The difficulties were not solely applicable to the relationship between the Civil Servant and his official employer; they applied equally throughout society wherever persons performed functions which might affect our security. It was not a security problem for Government alone; it was a problem for the whole community.

Fortunately, he proceeded, there was in Canada no cause for hysteria or panic. There were no great divisions in Canadian society such as those which in other communities penetrated the fabric of their essential services. More important, in the course of generations we had built up in Canada a tradition of integrity in the performance of essential duties, whether public or private, that reduced to a minimum the fears we need have about the loyalty of those upon whom we depended. He cited the Oxford dictionary definition of "integrity" - "the condition of having no part or element wanting; soundness of moral principle; uprightness, honesty, sincerity" - and said they were characteristics of the Canadian Civil Service.

He proceeded in part as follows:

"What we seek - and what we find - in our government service are people whose integrity is sufficient to make it possible for them not only to do their jobs well, but also to resist such temptations as arise out of those jobs. I am glad to say that, so far as my experience carries me (and that is now a very considerable experience) Canada has been remarkably successful in attracting to its service men and women who display this essential characteristic in marked degree.

"If the dangerous times in which we live, on the one hand, call for the highest expression of integrity amongst our public servants, they also impose on employers in general and Government in particular equally heavy obligations. These obligations are twofold. In the first place, we must take every precaution to make certain of the loyalty of those who serve us.

"The danger which communist Imperialism presents to our national existence and our free institutions is a very real one. In facing it - and in trying to remove it - Government, in its relations with its citizens, has at times to take exceptional action. The citizen in his turn in his relations with his Government has to recognize the nature and gravity of the menace and may, in certain circumstances, have to accept restraints which would be intolerable if that menace did not exist.

MUST TAKE EVERY PRECAUTION

"The danger which must be met has many manifestations. We know how the brilliant and constructive intellectual in the field of natural science can occasionally be a fool or a knave or both in the field of social science. We know what harm to freedom can be done by a magnificent but perverted mental equipment which is allowed to do its nefarious work under the banner of freedom and tolerance. The very quality of a man's genius may make him all the greater menace to society. Against that menace the state is entitled to take - indeed must take - every precaution, and no one of us has any right to complain if we may seem to suffer some slight indignity in the process.

"Our personal prestige and pride is a small thing, against the necessity of guarding our free society against those hidden agents of Soviet reaction, who for reasons which vary all the way from lust for power to twisted idealism would sell us into Kremlin slavery. As a Government we have an obligation to take every necessary and practicable measure to find and root out treason and sedition in our midst; to see that we have laws adequate for this purpose; that we have security services and procedures which, while remaining under the law, are nevertheless effective to watch

and when necessary, disarm those elements who would divide and disturb our country in peace and hand it over to the enemy in war.

"Government, however, has another duty: to protect the state system and its servants against policies which in the name of security would destroy its efficiency and its free democratic character; especially to protect individuals against unfounded accusations and vicious insinuations which destroy the individual and weaken the social structure. We have no right to go about confirming the loyalty of our Civil Servants in such a manner that we destroy their self-respect or their efficiency - nor has Government the right to take a single step against any citizen which is not warranted by the danger which we face. In attempting to decide how far it can go, in limiting the freedom of the individual in the interest of national security, the Government is always faced with this terribly difficult and recurring problem of drawing a line and, once drawn, of not going beyond it

"This problem is difficult for many reasons. The very menace itself may lead to demands on the part of more excitable elements of the community for panic action which goes far beyond the needs of the situation. It also encourages irresponsible and reactionary elements to use the fear of Communism as a means of weakening and destroying some of the healthy and democratic restraints which have been placed on their own appetite for power. Every army - however good the cause for which it fights - includes some dubious volunteers. And so it is in the fight against Communism. Anyone who rejects the practices and the slogans of these elements is, of course, liable to be called an ally of the enemy - a red. This, in turn, creates dissension, division, suspicion and mistrust; it is playing the enemy's game as surely, and as effectively, as if it were being done by saboteurs or provocateurs. One of the best allies of the communist cause is, in fact, the hysterical diehard. The Communists know that and therefore reserve their heaviest fire for the Progressive Democrat.

"In our search for the hidden enemy of our way of life; we must also be careful not to impose regulations or create prejudices which shackle the spirit of enquiry by spreading the impression that anything unorthodox or enterprising or imaginative is suspect. If we reduce the high adventure of investigation to the level of a search in a shallow stagnant pool, we shall soon retreat into the dark recesses of torpid and absolute conformity which is the stuff from which the totalitarian police state is made. This retreat will be certainly assisted if public opinion ties the label of 'dangerous' or 'red' to everyone who may once have attended a luncheon of the League for Peace and Freedom, or played basketball at High School with the young Radicals. It is easy in a democratic state to become the victim of our fears, just as it is easy -

frighteningly easy - to become the victim of our apathy and indifference. If we are to remain free and to move forward we have to avoid both these dangers.

"I hope that in this country we will never yield to hysterical clamour for a witch-hunt; or accept mere association as a proof of guilt; or exploit for selfish reasons the genuine anxiety we all feel about our nation's safety; I hope also we can avoid loose and irresponsible talk about Communists infesting government departments....

"One result of unfair and irresponsible attacks on public servants as suspect or disloyal is that you may eventually get people so cautious, so mediocre, so determined not to do anything that will leave them open to criticism from any quarter, that your public servant will become as mechanical and inefficient as that of a communist state. In Communist states the functionaries are so terrified of giving any advice or taking any initiative that may be regarded as a departure from the party line that they never make an original move, or give any objective advice at all. They merely tell those above them what they think those men want to hear...."

AUTO SHIPMENTS RISE: Factory shipments of Canadian-made motor vehicles rose to a high level in February, being exceeded only by September last year. The advance in the month was principally due to increased shipments of passenger cars. Cumulative total for the first two months of the year was sharply higher than in the similar period of 1949.

In February, 30,137 units were shipped as compared with 28,527 in the preceding month and 17,197 in February, 1949. The cumulative total for the two months ending February increased to 58,664 units from 31,060 in the like period of 1949. Shipments in September last year aggregated 30,894 units.

Shipments of passenger cars in February increased sharply to 22,459 units as compared with 9,285 in February last year, while commercial vehicles were slightly lower at 7,678 units compared with 7,912. In the two-month period, 43,386 passenger cars were shipped as against 16,459 a year ago, and 15,278 commercial vehicles compared with 14,601.

INDUSTRIAL DISPUTES: Time loss due to work stoppages arising from industrial disputes during February, 1950, was slightly higher than during the previous month but only a little more than one third of the loss in February, 1949, according to the monthly summary of strikes and lockouts released on March 25 by the Minister of Labour, Mr. Mitchell.

Work stoppages causing the greatest time loss were those of plumbers, steamfitters and helpers at Ottawa, Ontario, firebosses at various coal mines in Alberta, and beverage

room tapmen, waiters and glass washers at Calgary, Alberta.

Preliminary figures for February, 1950, show 15 strikes and lockouts in existence, involving 3,764 workers, with a time loss of 26,300 man-working days, as compared with nine in January, 1950, with 2,456 workers involved and a loss of 39,488 days. In February, 1949, there were 10 strikes and lockouts, involving 7,245 workers, with a loss of 71,652 days.

HALIBUT FISHING CONVENTION: The Minister of Fisheries, Mr. R.W. Mayhew, on behalf of the Government of Canada, and the United States Ambassador, L.A. Steinhardt, on behalf of the Government of the United States of America, on March 24 signed a convention allowing reciprocal privileges for halibut fishing vessels on the Pacific Coast of Canada and the United States.

The convention overcomes the necessity of the Governments of the two countries legislating every year to allow halibut fishermen of both countries reciprocal privileges of landing catches for trans-shipment and obtaining supplies, repairs and equipment in Canadian and United States west coast ports.

Of advantage to Canadian halibut fishermen, it assures them in advance of the season the privileges that will be available. The convention grants U.S. and Canadian halibut fishermen the following privileges in the Pacific Coast ports of entry:

(1) To land their catches of halibut and sablefish without the payment of duties. To sell them locally on payment of the applicable customs duty, and transport them in bond under customs supervision to any part of either country;

(2) To obtain supplies, repairs and equipment, subject to compliance with applicable customs and navigation laws of either country.

The convention differs from the present practice only in that it extends reciprocal privileges to Canadian halibut vessels in ports of the United States proper as well as of Alaska.

MANUFACTURING ANALYSIS: Increased wholesale prices of partly and fully manufactured products accounted for about three-fourths of a gain of \$2,045,343,000 in the gross value of Canadian manufacturing output in 1947 over 1946, and physical volume of production for the remainder, according to the detailed report on the manufacturing industries of Canada in 1947 released by the Bureau of Statistics. Gross value of products made in Canada during 1947 amounted to \$10,081,027,000, an all-time record up to that year, but exceeded in 1948 when it advanced 17 per cent over 1947 to a new peak of \$11,800,887,000.

The number of manufacturing establishments rose in 1947 to 32,734 from 31,249 in the

preceding year, and the employees advanced to 1,132,000 from 1,058,000, or by seven per cent. The 1947 total was, however, still 109,000 below the record number employed in 1943. Salary and wage payments amounted to \$2,085,926,000 -- a new high -- as against \$1,740,687,000 in 1946, and \$2,029,621,000 in 1944, the previous high year.

TO INTERNATIONAL BOUNDARY COMMISSION: The Secretary of State for External Affairs, Mr. Pearson, announced on March 29 that the Government has appointed Mr. John Leslie Rannié, Dominion Geodesist, to be the Canadian Member of the International Boundary Commission in place of Mr. James Morey Wardle, C.B.E. The appointment was effective March 1, 1950.

Mr. Wardle's resignation was occasioned by the re-organization of some of the departments of the Government on January 18, 1950. The Special Projects Branch of the Department of Mines and Resources, of which he was Director, was assigned to the Department of Resources and Development, and the work of the Canadian Section of the International Boundary Commission, being closely associated with the activities of the new Department of Mines and Technical Surveys, was placed with that Department.

The International Boundary Commission comprises two Commissioners, one representing Canada and the other the United States. It was established under the terms of Article VI of the Alaska Boundary Convention, 1903, and the International Boundary Demarcation Treaty of 1908 to demarcate various parts of the boundary and to maintain an effective boundary line between the two countries. Under a treaty of 1925, the Commission also regulates the level of the Lake of the Woods.

SEISMIC STATION FOR ARCTIC: Provision of more than \$400,000 has been made in the estimates recently tabled in the House of Commons for the operation of the Dominion Observatory at Ottawa.

According to the Minister of Mines and Technical Surveys, Dr. McCann, \$60,580 of this amount has been allocated for important geophysical field studies, including the establishment of Canada's first seismic station in the Arctic which will be at Resolute Bay on Cornwallis Island.

The six seismic stations now located across Canada provide valuable information on the earthquake movements in the earth's crust. However, the most northerly station is at Saskatoon so that it has not been possible to "pin-point" seismic disturbances in Northern Canada and the Arctic regions or to obtain sufficient data regarding their magnitude. As a result there has been a vast blank on the seismic map north of the Arctic circle.

ANOTHER RISE IN EXPORTS TO U.S.

DECLINE IN WORLD TOTAL: For the fourth consecutive month, Canada's domestic exports to the United States registered an increase in February, with a substantial gain in value over February last year. On the other hand, lower values were recorded for domestic exports to most sterling and other dollar areas, and the overall total to all countries was slightly below that of a year earlier, the Bureau of Statistics reports.

Domestic exports to the United States were valued at \$128,838,000 in February as compared with \$106,709,000 in February, 1949, a gain of nearly 21 per cent. This follows upon an increase of about 13 per cent in January over the corresponding month last year, the aggregate value of shipments across the border for the first two months rising to \$259,697,000 this year as against \$222,732,000 in 1949, an advance of one-sixth. Price changes reflecting the premium on United States exchange have contributed to this increase, but its size indicates a substantial rise also in the volume of exports.

The gain in February sales to the United States was spread over seven of the nine main commodity groups, the largest gains being in commodities classified under animals and animal products, wood and paper, and non-ferrous metals and products. Shipments of the iron and the small fibres and textiles groups alone were lower.

Total exports to all countries declined in value to \$199,500,000 from \$205,000,000 in February last year, the aggregate value for the two months showing a somewhat larger drop at \$420,600,000 as compared with \$442,000,000 in 1949.

INTERNATIONAL SECURITIES TRADE: Main feature of Canada's international trade in securities during 1949 was the reappearance of a small sales balance for the year as a whole after two years of purchase balances. Net sales to all countries last year amounted to \$6,500,000 compared with net purchases of \$17,900,000 in 1948 and \$18,000,000 in 1947.

Compared with the size of inflows of capital through transactions in outstanding securities during the years 1938 to 1946, however, last year's sales balance is small. Peak inflow of this period was in 1945 when net sales through the reporting channels covered in the Bureau's report reached \$191,000,000, while the lowest figure for net sales in the period was \$28,800,000 in 1940.

February shipments to the United Kingdom were down sharply to \$30,374,000 from last year's value of \$44,124,000, making a decline for the first two months to \$78,981,000 from \$99,937,000. There were decreases in February in the exports of commodities in all main groups, except non-metallic minerals, one of the smallest in value. Largest decreases occurred in the agricultural and vegetable products, non-ferrous metals, and wood and paper groups.

Sales to the remaining Commonwealth countries as a whole were also down in the month to \$14,300,000 from \$17,500,000 in February last year, and in the two months to \$28,000,000 compared with \$45,400,000. The decrease in both periods, however, was due almost wholly to sharp decreases from the high value of shipments last year to India. Exports to the British West Indies group (including British Guiana, Bermuda and British Honduras) were up slightly in the month at \$2,801,000 compared with \$2,698,000 but down in the two months to \$5,312,000 from \$7,307,000. To Commonwealth countries in Africa, exports were slightly higher at \$3,536,000 for the month and lower for the two months at \$7,367,000 as against \$8,306,000; while shipments to the Oceania group rose in the month to \$4,321,000 from \$3,593,000 and in the two months to \$6,934,000 from \$6,738,000. Exports to Commonwealth countries in Asia fell in value to \$3,202,000 from \$7,845,000 for the month, and for the two months were down to \$6,676,000 from \$22,782,000, shipments to India being off to \$1,082,000 in February from \$6,304,000 and to \$1,578,000 from \$17,495,000 in January and February.

There was a sales balance on the year's trade with the United States of \$16,000,000. This balance accumulated in the last three months of the year following the currency revaluations in September. Repurchases of securities from the United Kingdom also increased in the same period and for the year as a whole amounted to \$10,800,000 on balance, an amount which was still below the peak level of net purchases of \$35,400,000 in 1946.

Figures for December, included in the year-end summary, show a sales balance of \$4,500,000, the largest since November, 1946. Volume of trade with the United States increased slightly and resulted in a sales balance of \$6,100,000, while transactions with the United Kingdom declined.

pile up our national debt more quickly than we add to the economic and financial capacity of the nation to carry it.

"The conclusion then which I reach is that no Minister of Finance in the foreseeable future will have an easier task than I have, namely, that of covering about \$2,400 million of expenditure. In considering proposals for further major increases in our expenditures of a continuing nature, we must be ready to balance them with increased taxes. We can afford some modest increases in expenditures from year to year, or alternatively modest reductions in taxation, as our productivity and national income grow, but this dividend of progress is gradual and modest in size in relation to the ambitious plans that are so much in the air these days. What is important, I believe, is that we should now realize clearly that there is no prospective surplus from which proposed new programmes of expenditure can be met. If the expenditure is worth-while, it should be provided for by new or increased taxes or charges or by reducing some other services or activities of lower priority."

Mr. Abbott said the Government expected to finish the present fiscal year with a surplus of about \$111 million, or about \$24 million more than he estimated a year ago. A notable feature of the revenue picture was still the remarkable buoyancy in direct taxes, notwithstanding the successive reductions in rates that had been made. Direct taxes accounted for half the total revenues; and a large part of the indirect taxes that provide 40 per cent of revenue was levied upon commodities the purchase of which was usually some evidence of ability as well as willingness to pay.

"On the expenditure side", he continued, "the most notable features have been the increased expenditures for social security on the one hand and national security on the other. The increase in social security -- chiefly family allowances and old age pensions -- was about \$62 million; and the increase in national defence and defence research was \$110 million. Newfoundland, too, added materially to our expenditures -- as was evident from the

\$55 million provided in special supplementary estimates to extend our services to Newfoundland, and a non-recurring charge of \$62 million to cover the assumption of the major portion of the former Newfoundland debt. There was another large non-recurring item in our expenditures represented by the net charge to our premium, discount and exchange account resulting from the revaluation of currencies and representing the decreased Canadian dollar value of our sterling obligations, the increased Canadian dollar value of our United States dollar obligations, and the increased Canadian dollar value of our holdings of gold and United States dollar balances.

"Offsetting these major increases in expenditures that I have noted were a number of reductions in those items which arose out of the war, notably certain types of non-continuing payments to veterans, payments of subsidies of various kinds, and various administrative costs for temporary post-war organizations...."

In introducing his tabular forecast of revenues and expenditure for the fiscal year 1950-51, Mr. Abbott commented as follows:

"My forecast of our prospective revenue and expenditure for the new fiscal year is based on the expectations that in general our national employment and income will be sustained at approximately the present level and that there will be a slight fall in average prices, more than offset by a slight increase in the volume of our production. Should conditions be better than this -- as they could be if everything goes well -- my forecast will be more than realized. Should economic conditions deteriorate, as they could, our revenue will fall off and our expenditure increase, as compared with the figures I am now putting forward.

"In the light of what I have said, I expect that our present tax laws and other sources of revenue would produce in the next fiscal year a total revenue of about \$2,430 million."

He said that he expected expenditures in the new fiscal year could be kept to about \$2,410 million, on which basis the Budget surplus should amount to around \$20 million.

STUDY MINERAL AND OIL FIELDS: Provision of more than one and one-half million dollars has been made in the estimates of the Department of Mines and Technical Surveys recently tabled, for continuance of the systematic geological mapping of Canada, the study of potential sources of minerals, oil and gas, and important ground water surveys.

According to the Minister of Mines and Technical Surveys, Mr. McCann, \$633,000 will be used by the Geological Survey of Canada to provide 85 field parties which will operate in all provinces as well as in the Northwest Territories and Yukon. Investigations will be carried out in two Arctic Islands and an expansion of geophysical work will include a

magnetometer survey of certain mineralized areas in the Northwest Territories.

Particular attention will be given to those areas in the Prairie Provinces considered favourable for the production of oil. New discoveries of radioactive minerals will be examined and studied for their commercial possibilities and a comprehensive investigation of the iron ore regions will be made.

Also included in the estimates is an item of \$1,722,053 for mineral resources investigation. This work will include two important studies to render western coal more suitable for market, ore treatment investigations to assist new mining companies to get into production.

DEATH OF THE UNITED STATES AMBASSADOR TO CANADA

THE NATION SADDENED: All Canada was shocked and saddened this week by the death, on March 28, of the United States Ambassador, the Honourable Laurence Steinhardt, with four other Americans, when a U.S. Embassy C-47 transport plane crashed just after it had taken off for New York from Ottawa's Rockcliffe Airport.

Those who died in the crash were:

Ambassador Laurence Steinhardt, 57, who came to his Ottawa post in August, 1948.

Allan Harrington, 20, son of U.S. Minister to Canada, Julian Harrington. He was returning to college in Virginia after a holiday with his parents here.

Capt. Thomas Archibald, 34, of Union Springs, Ala., pilot of the plane, and Assistant Air Attaché at the Embassy here.

Lt.-Col. W.F. Trueblood, 35, U.S. Air Force, of Kansas City, Kan., an exchange officer attached to R.C.A.F. Headquarters in Ottawa.

Lieut. Mark Belanger, 29, U.S.A.F., New Bedford, Mass., former Assistant U.S. Air Attaché at Ottawa who was on exchange at R.C.A.F. Headquarters here.

Public statements expressing Canada's sorrow were issued by the Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson. A message of sympathy was sent by the Prime Minister to President Truman; a similar message was sent by Mr. Pearson to the United States Secretary of State, Dean Acheson.

In the House of Commons, on the afternoon of the tragedy, the Prime Minister announced that it had been his painful duty, in company with Mr. Pearson, to call at the chancery, at the United States Embassy and also at the residence of the United States Minister, Mr. Julian Harrington, to express the sympathy of the Government and of the Canadian people on the tragic deaths of the U.S. Ambassador, of

the U.S. Minister's son, and of three officers of the United States Air Force. He read into the permanent record of Parliament his public statement of regret and his message of sympathy to the President of the United States.

Leaders of all opposition groups, joined the Prime Minister in expressing sorrow at the passing of Mr. Steinhardt and the distinguished group of Americans. Each speaker testified to the great qualities and personal charm of Mr. Steinhardt who, in his two years in Ottawa, had done so much to cement friendship and understanding between Canada and the United States.

Canada accorded full military honours to Mr. Steinhardt and the American officers as their bodies were borne to the Ottawa Union Station on March 30 to be taken to their homes in the United States for burial.

The text of the Prime Minister's statement was as follows:

"All Canadians will be shocked by the news of the air disaster in which the United States Ambassador, Honourable Laurence Steinhardt, lost his life.

"The death of Mr. Steinhardt is a grievous loss to the Foreign Service of the United States in which he has had such a distinguished career. For Canada it is the loss of an understanding friend who believed deeply in the value to each other and to the world of the friendly association of our two countries, and who contributed day by day in countless ways to the strengthening of our common bonds.

"The tragedy is heightened by the fact that the son of Mr. Julian F. Harrington, the United States Minister in Canada, also lost his life.

"The sympathy of the Canadian people will be extended in full measure to Mrs. and Miss Steinhardt and to Mr. and Mrs. Harrington in their bereavement, and to the families of the three officers of the United States Air Force who also lost their lives in this disaster.

"In the name of the Government and people of Canada, I have sent a message of sympathy to the President of the United States."

CANADA'S WORLD HOCKEY CHAMPIONSHIP: Canada's victory in the world amateur hockey championship series was made a matter of parliamentary record in the House of Commons on March 23 when Mr. A.F. Macdonald, from the constituency of Edmonton East, home of the Edmonton Mercury hockey team, listed the club's personnel. He said:

"Mr. Speaker, I rise on a question of privilege. I wish to announce to hon. members that yesterday in England the Edmonton Mercury hockey team regained the world amateur hockey crown for Canada. The victory gave the western Canada intermediate champions a clean sweep in the seven tournament games, and Canada's

twelfth title since 1924.

"I wish to place on the record the name of Jim Christiansen of Edmonton, sponsor of the Mercury Club, as well as the names of the players. They are as follows: March Darling, team captain; Jimmy Graham, coach; Jack Manson, goal; Pete Wright and Jack Davies, defence; Doug. Macauley, centre; Billy Dawe and Harry Allen, wings. Others on the team include Wilbur Delaney, Jim Kilburn; Al Purvis, Don Goff, Bob Watt, Bob David, Ab Newsome, Hassie Young, Leo Lucchini and Bert Tonsi, trainer...."

"THE IMPLICATIONS OF THE COLD WAR FOR CANADA"

PRIME MINISTER'S ADDRESS: As long as Canada remains a land of promise and opportunity for all our people, whatever their origin or occupation, we need have no worry of mass support for Communism in this country, the Prime Minister, Mr. St. Laurent, told an overflow Canadian Club audience in Toronto on March 27.

Canada's national example of successful partnership by two races and cultures, and admittance of thousands of other people from most of the nations of the world, might contribute, he hoped, to the development in the international sphere of the unity of purpose and spirit of co-operation so essential to the strength and security of the free world.

The Prime Minister's topic was, "The implications of the cold war for Canada", and he declared that Canada's purpose, and the purpose of all free nations in the cold war, was first to prevent a "hot" war and ultimately to do all they could to end the cold war itself. There could be no real and lasting peace until there was some degree of mutual confidence and trust between nations. This would involve a sincere and radical change in the attitude of Soviet Russia, a change, he said, which was not going to come overnight. Meanwhile the free world had to go on probably for years maintaining its security through its own strength.

A BETTER WAY OF LIFE

"The point I want to make", he said later, "is that it is just as important for us to show the world that democracy, free democracy, not the kind the Communists talk about, is a better way of life which can provide, in addition to economic and industrial strength and material things in abundance, a faith to inspire all men to live in peace and contentment with one another. If we can maintain this kind of strength, those who oppose us now may, in time, decide it is wiser 'to live and let live'. They may reach this position by concluding that if they started a war they would be apt to lose it. But ultimate victory will come only when the people behind the iron curtain see that their system as opposed to ours, will not meet either the material or the spiritual needs of mankind."

Mr. St. Laurent said that in addition to strong military defences, the peace-loving nations must also devote themselves to the positive task of increasing their economic, political and social strength and bettering their democracy: not merely to the negative task of defending an established position. The

cold war was a struggle between two totally opposed concepts of human society - the one in which the State was the absolute and not-to-be-questioned master of every aspect of the lives of all its subjects; and the other in which the State was the servant of the citizens.

Everywhere in Canada, said the Prime Minister; he had found whole-hearted approval of the nation's participation in the North Atlantic Security Pact. He did not think anyone in Canada dreamed of the possibility of arming this country so that we could take on a great power single-handed. What we had to do - what all free countries had to do - was to try to strike the best possible balance between the provision of immediate strength in trained men and arms-in-being; and lasting potential strength, military, industrial and economic,

"To win the cold war", he added, "it will not be enough to devote to military defences and the production and development of arms a considerable fraction of our total resources. That may be enough to prevent defeat. Preventing defeat is not the same thing as winning a victory. To win, I believe the nations of the free world must demonstrate the superiority of our institutions and our way of life to the continued satisfaction of all our own people. And then we must win over those hundreds of millions in Asia and Africa who now feel indifferent and confused and are attached to neither side in the cold war; and ultimately we must convince those other millions behind the Iron Curtain that Communist Imperialism means slavery and that we stand for freedom and peace.

NON-MILITARY SIDE

While Canada's military contribution to ultimate security was important, Canada, he believed, could also make a great contribution to the non-military side of the cold war. On this aspect he spoke, in part, as follows:

"Today I believe most Canadians are convinced they cannot escape the consequences of world events, and they are not trying to shirk their share of responsibility.

"One aspect of that responsibility, one contribution we can make to ultimate success in the cold war is to maintain right here in Canada a strong and healthy free community in which the State remains our Servant and does not become our Master; a community in which resources are continually being developed and in which industrial power is an increasing source of potential military strength...."



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WEEK'S EVENTS IN REVIEW

TRADE OUTLOOK FOR 1950: Canada's trade outlook for 1950 is for a substantial rise in exports to the United States together with a fall in imports from that country, and a drop in exports to the United Kingdom and the rest of the world, the Minister of Trade and Commerce, Mr. Howe, told Parliament on March 31, in introducing the estimates of the Department of Trade and Commerce. The markets for staple products, such as wheat flour, metals, lumber, pulp and paper, he said, seemed to be in excellent condition.

In reviewing the trading position of 1949, the Minister noted that trade with the United States amounted last year to about \$3,500 million, which was by far the largest trade between any two other countries in the world and was larger than the trade of the United States with any other four countries in the world. In January and February of this year exports to the United States were up \$38 million and imports from the United States down \$15 million, a trend, he said, which was likely to continue throughout the year.

His forecast of trade with the rest of the world in 1950 was as follows:

"We expect some drop in our exports to the United Kingdom and to the rest of the world. We have not been able to measure the extent of the drop. In the first two months of the year there was a drop in exports to England of \$20 million, but it is not definite at the moment whether that fairly indicates the trend. The

drop of \$20 million in January and February was accounted for almost entirely by lower shipments of wheat. The reason shipments of wheat were lower was that we found it impossible to deliver wheat in sufficient quantity at the seaboard to meet commitments and had to ask the Government of the United Kingdom to permit us to postpone shipments of a substantial amount of wheat. That wheat will come back into the trade figures in April and May, and I am not sure that the drop of \$20 million in January and February is particularly significant.

"We know that the Government of the United Kingdom has in hand a belt-tightening programme designed to save dollars and we are pretty certain to feel the effect of that programme over the new year. On the other hand we believe that there will be an increase in imports from the United Kingdom as a result of the current dollar-sterling effort and in consequence of efforts that have been made already.

"So far as the rest of the world is concerned, the situation in Argentina is disturbing to the point where we have been able to trade very little. Dollar markets have been practically closed in that country. Trade with the rest of South America continues on a fairly stable basis, and the probabilities are that exports to overseas countries, excluding the United Kingdom and the sterling area generally, will be on about the same level as those of the past year...."

GROSS NATIONAL PRODUCT NEARLY \$16 BILLION

NATIONAL INCOME \$13 BILLION: Preliminary estimates by the Bureau of Statistics indicate that Canada had a gross national product and expenditure of more than \$15.9 billion in 1949, an increase of three per cent from the revised estimate of nearly \$15.5 billion for 1948. In volume terms, the Bureau estimates the gain last year over 1948 at two per cent.

National income increased in 1949 to \$13.0 billion from the revised estimate of \$12.5 billion in 1948. This gain of four per cent is fully accounted for by a rise of seven per cent in salaries, wages and supplementary labour income, placed at \$7,630 million as against \$7,113 million in the previous year. Agricultural income, which showed a sharp rise in 1948, was down four per cent, from \$1,660 to \$1,587 million, despite higher wheat adjustment payments, while net income of other unincorporated business advanced to \$1,272 from \$1,252 million. Investment income also rose slightly to \$2,373 from \$2,348 million, a decline in corporation profits -- largest component of investment income -- being more than offset by increases in other components.

The most striking change shown in the components of gross national expenditure was a marked decline in the rate of inventory accumulation. There was no noticeable increase in inventories at the end of 1949 over 12 months earlier, whereas there was an increase of \$646 million or four per cent of gross national expenditure in 1948. In physical terms, an

actual reduction of inventories last year is indicated.

Gross home investment increased in housing to \$753 million from \$647 million the previous year, and in plant and equipment to \$2,076 from \$2,016 million. However, housing alone showed an increase in volume.

Consumer spending rose seven per cent from \$10.1 to \$10.8 billion, representing -- after allowance for price increases -- an advance of two per cent in real consumption. The largest volume increase in consumer spending was on durable goods, such as automobiles and furniture, amounting to 10 per cent. On the other hand, spending on semi-durable goods, although slightly higher in value, actually declined in physical terms.

Government expenditure on goods and services increased to \$2,108 million in 1949 from \$1,787 million in 1948, accounting for 13 per cent of gross national expenditure as compared with 12 per cent. Increased federal spending on national defence and on inventories in connection with price support programmes, and increased capital expenditure at provincial and municipal levels accounted for most of the change.

Exports of goods and services last year remained at approximately the 1948 level of \$4.0 billion, but imports increased from \$3.6 billion to \$3.8 billion. Thus net foreign investment declined substantially.

CHARGÉ D'AFFAIRES AT PRAGUE: The Secretary of State for External Affairs announced on March 31 the posting of Mr. Benjamin Rogers of the Information Division of the Department to Czechoslovakia as Chargé d'Affaires a.i. of the Canadian Legation at Prague. Mr. Rogers is replacing Mr. R.M. Macdonnell who was transferred from Prague to the Canadian Embassy, Paris, in December, 1949. It is expected that Mr. Rogers will leave for Czechoslovakia sometime in May.

Mr. Rogers was born in Vernon, B.C., August 3, 1911. He attended elementary and secondary schools in Charlottetown, P.E.I. and graduated from Dalhousie University with the degree of B.A. in Political Science. He later studied at the London School of Economics where he obtained the degree of M.Sc. (Econ.). Prior to joining the Department of External Affairs in 1938, Mr. Rogers was Acting National Secretary of the Canadian Institute of International Affairs. In December, 1939, Mr. Rogers was posted to the Office of the High Commissioner for Canada, Canberra, and was Acting High Commissioner from July, 1941, to January, 1942, and again from October-December, 1942. While serving at the Canadian Embassy in Rio de Janeiro he acted as Chargé d'Affaires on several occasions between 1944 and 1948.

PRIORITIES BRANCH TERMINATES: Operations of the Priorities Branch, Department of Trade and Commerce, will be terminated April 1, in view of the improved supply of building materials and labour, the Minister of Trade and Commerce, Mr. Howe, announced on March 30. Priority ratings will cease to have any effect after March 31.

To facilitate the procurement of equipment, materials and supplies by Canadian industries, and for the effective prosecution of World War II, the Priorities Branch was established in the Department of Munitions and Supply early in 1940. During the war, and for the reconversion period which followed, the Branch co-operated closely with the War Production Board and the Civilian Production Administration of the United States Government.

In 1946, a formal system of priority ratings was established to channel building materials required for the construction of housing and other projects essential to the national economy. These included military hospitals, military health and occupational centres, and other military establishments.

Primarily designed to meet the needs of veterans, the policy was broadened in March, 1949 to include civilian homes not exceeding a cost of \$10,000. Ratings were assigned to

individuals or their contractors where it was established that the house would be legally owned and occupied by the applicant. Included in the authorizations were the units built under the Veterans' Land Act and programmes sponsored by Central Mortgage and Housing Corporation, such as Veterans' Rental Housing, Integrated Housing, N.H.A. Control Sales Price dwellings and the Inter-Service Married Quarters programme for the Department of National Defence.

During operations from 1946 to date, priority ratings were granted for the construction of 105,691 homes.

EXPORT CREDITS INSURANCE CORP.: Export sales of close to \$100 million have been declared by exporters under policies written since the Export Credits Insurance Corporation started business in 1945, according to the annual report of the Crown-operated corporation, tabled on March 29 in the House of Commons by the Minister of Trade and Commerce, Mr. Howe.

Declared export sales underwritten by the Corporation in 1949 amounted to \$35.8 million, almost twice the value for the previous year.

Policies covered a variety of agricultural products, raw materials and manufactured goods originating in all parts of Canada, and provided exporters with protection against unforeseen losses which arise in international trade. Policies issued by the Corporation insure exporters against risks not covered by commercial insurers, such as the insolvency of the foreign buyer, import and exchange restrictions imposed by foreign governments, and other risks which prevent the policyholder from receiving payment for goods he has sold.

Chairman of the Board, M.W. Mackenzie, reported that claims paid to exporters during 1949 amounted to \$515,201, a large portion of which resulted from exchange transfer difficulties, and that substantial recoveries are expected. After making full provision for all claims paid, the Corporation's operations for the year disclose an excess of expenditure over income of \$34,515. This amount has been charged to the underwriting reserve earned in previous years, which stands at \$751,210 at December 31, 1949.

INDUSTRIAL EMPLOYMENT LOWER: Employment in the major industrial divisions showed a further substantial contraction at the beginning of February, and the Bureau's advance index number, on the base 1926=100, fell to 187.3 from 194.0 at January 1, and 190.5 at February 1, 1949. Unfavourable weather conditions, particularly in British Columbia was a factor in the decline from January, which is in keeping with the trend at February 1 in the previous nine years.

In spite of the general falling-off in employment, weekly salaries and wages disbursed

by the co-operating establishments at February 1 showed an increase of 0.1 per cent as compared with the holiday week of January 1, and a gain of 0.7 per cent as compared with February 1, 1949. The advance figure of average weekly earnings was \$43.91 as compared with \$43.38 at January 1, and \$42.92 at February 1, 1949.

Curtailement in employment as compared with a month earlier was shown in all provinces. The declines in this comparison varied from two per cent in Ontario and 2.2 per cent in Nova Scotia, to 9.3 per cent in Saskatchewan and British Columbia. The provincial levels of employment were also generally lower than at the same date last year, except in Prince Edward Island, Manitoba and Alberta.

Industrially, the advance tabulations show that employment in manufacturing as a whole was lower than at January 1, the moderate decline in this group being contra-seasonal in character. Logging, transportation, construction and trade showed substantial and widespread reductions.

SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries in January resulted in a sales balance for the fourth successive month. Net sales in January amounted to \$1,900,000, arising out of a total volume of \$39,900,000 as compared with total transactions of \$43,700,000 in December and an average monthly volume in 1949 of \$38,500,000.

The sales balance in January was due largely to transactions with the United States which have consistently produced monthly net sales since September last. The volume of trade in January was smaller than that occurring in the previous month, sales declining to \$19,900,000 from \$23,700,000, and purchases to \$16,400,000 from \$17,600,000.

Sales and purchases with the United Kingdom exceeded corresponding totals for the previous month, sales increasing to \$400,000 from \$100,000, and purchases to \$2,300,000 from \$1,700,000. Security transactions with other countries increased in January, sales advancing to \$600,000 from \$300,000, and purchases remained unchanged at \$200,000.

CARLOADINGS: Carloadings on Canadian railways during the week ended March 26 rose to 75,833 cars from 74,389 cars in the preceding week and 73,172 cars in the same week last year. Eastern loadings rose from 47,211 in 1949 to 50,560 cars as grain, dairy products, coal, lumber, gasoline, autos, woodpulp and paper, and miscellaneous manufactures moved in greater volume. Western shipments were down slightly from the same week of 1949 due to lower grain loadings, the regional total standing at 25,273 cars against 25,961 cars one year earlier.

UNESCO DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on April 3 that the Canadian Delegation to the Fifth Session of the General Conference of the United Nations Educational Scientific and Cultural Organization (UNESCO) will be as follows:

Head of Delegation: Mr. Jean Désy, Canadian Ambassador to Italy. **Delegates:** Dr. M.E. Lazerte, Mr. Garnet Page and Mr. Jacques de Tonnancour. **Alternate Delegates:** Mr. Sidney Pollock, Department of Finance; Dr. John E. Robbins, Bureau of Statistics and Mr. Paul Tremblay, Department of External Affairs.

Dr. Lazerte is Dean of the Faculty of Education of the University of Alberta and Vice-President of the Canadian Education Association. He is a past president of the Canadian Teachers' Federation. Mr. Page is General Manager of the Chemical Institute of Canada. Mr. de Tonnancour is a Montreal painter and a member of the Canadian Arts Council.

The conference at Florence will be held from May 22 to June 16, 1950. Its agenda will include a review of the basic programme of UNESCO, and consideration of the work plan of the organization and its budget for 1951. The representatives of 54 member states are expected to attend the conference.

IMPORT RESTRICTION REMOVED: Effective April 1, restrictions on the import of cast iron and steel scrap have been removed, the Minister of Trade and Commerce, Mr. Howe, announced on April 1. These restrictions applied to United States material only, and traders in these commodities will no longer be required to obtain an import permit from the Department of Trade and Commerce.

Import controls were first imposed in November, 1948, at the request of the United States Government, to assist the orderly movement of limited tonnages of scrap iron and steel into Canada at a time when the scrap shortage was very acute in both countries. The United States Government had previously set up strict regulations on the export of scrap iron and steel which were applicable to all countries except Canada. Inventories and reserves of these materials are now reasonably satisfactory in the United States removing the necessity for close supervision.

Export of scrap iron or steel from Canada, however, will continue under export permit control.

WHOLESALE PRICES RISE: Wholesale prices in Canada moved up in February, the general index number on the base 1926=100, rising to 158.0 from 157.1 in January. At this year's February level the index was one-tenth of a point below February 1949, and 1.6 points under the peak index of 159.6 for December, 1948.

ADMISSION OF JAPANESE: The Department of Citizenship and Immigration announced on April 4 that no person of Japanese origin who served in the Japanese armed forces in World War II has been given permission to enter Canada since the close of hostilities.

The statement was issued to clarify the present situation with respect to the admission of persons of Japanese origin, which was discussed at a recent meeting of the Immigration-Labour Committee of the Senate. During the meeting the Department was asked to give the number of persons of Japanese origin who had left Canada before the war to serve in the Japanese armed forces and had since been re-admitted to Canada.

Actually, the departmental announcement stated, there have been no Japanese nationals admitted to Canada from Japan as immigrants since the end of World War II. There were, however, a few Japanese nationals who had been in Canada under temporary status for many years, were granted permanent status subsequent to World War II, and were thus shown in Immigration Branch statistics as immigrants. This group and any United States citizens of Japanese race who were admitted to Canada since the end of World War II numbered twenty-four, three during 1946, two during 1947, six in 1948, and thirteen from January 1949, to date.

Canadian citizens of Japanese origin who had retained their Canadian domicile and who had not served in the Japanese armed forces in World War II were allowed to return to Canada and were therefore not classed as immigrants.

MANUFACTURING INVENTORIES: The value of inventories held by the manufacturing industries of Canada at the end of January was slightly above the December level but about five per cent under January last year, according to indexes compiled by the Bureau of Statistics. This year's January index, on the base 1947=100, stood at 126.9 as compared with 125.1 in December and 130.9 a year earlier.

SAFETY FILM WINS AWARD: The Minister of Labour, Mr. Mitchell, announced on April 4 that a Department of Labour safety film produced by the National Film Board in co-operation with the Information Branch of the Labour Department had been judged the outstanding non-theatrical motion picture in the occupational safety field produced in Canada and the United States in 1949. The award was made by the National Committee on Films for Safety, with headquarters at Chicago.

The picture, which was circulated throughout Canada during 1949, dealing with safe clothing in industry, is the fifth in the series of industrial safety films, "Accidents Don't Happen - They're Caused", produced for the Department of Labour.

(Continued from P.1)

The Minister dealt with official international trade discussions of the past year and touched on the International Trade Fair, which he held to be a useful agency for the promotion of trade. Then he proceeded:

"Canadian trade at the present time reveals a number of cross-currents and divergent trends which may well seem confusing. In fact a good many can be traced to the same source--the chronic world shortage of United States dollars. There have been two outstanding considerations in the development of Canadian trade. One is the over-all growth of both exports and imports have increased twofold and threefold in value in the last decade. The other is the increased proportion of our increased trade which we now carry on with the United States. There has been an increase from about fifty per cent in our total world trade in 1939 to 60 per cent of current world trade.

"We find that we now have, and I think we can expect to continue to have, a good market for staple products which Canada traditionally exports, such as wheat, flour, metals, lumber, pulp and paper. These markets seem to be in excellent condition and we do not expect any particular difficulty with such products. Canadian manufacturers are finding it easier to sell their manufactured goods in the United States than in Europe. I believe that our sales in Europe of manufactured goods depend largely on the amount of effort that is being put behind the selling....

AGRICULTURAL MARKETS

"Canada, he said later, must battle for agricultural markets, and in that battle Canada and the United States are handicapped in competing with producers in sterling countries. The dollar shortage plays its part but there is no indication that the markets are not sufficient to absorb Canadian products as well as those of sterling countries....

"Our sales are being guided by our Canadian trade Commissioner Service abroad. We have able men in every country whose duty it is to warn us of market changes and to give us advice on market opportunities. I believe it is remarkable that when one market has been lost through restrictions or for other reasons, these Trade Commissioners have been able to find outlets for the same products in other markets. The world is wide and we know from experience that the loss of one market does not necessarily mean that no alternate market can be opened up.

"One very striking fact is in evidence; the seller's market is over. Today all markets are buyer's markets, and in every market the Canadian exporter meets tough competition. I am glad to say that our price structure in Canada is such that we are well able to meet that competition wherever we encounter it, in the United States or in world markets abroad. It seems to me that a buyer's market is a normal market, and I am not particularly disturbed

because of the fact that we are now in a market where the seller really has to work to dispose of his products.

"A great deal has been said about Marshall plan dollars. They are not nearly such an important factor in selling today as many would suppose. It is generally considered that to sell in the sterling market, or in any foreign currency markets, there must be Marshall plan dollars. That is not so. The supply of free dollars is increasing all around the world, and each year we are becoming less dependent upon the Marshall plan...."

A substantial rise in public investment was to be expected in 1950, the Minister said, and the trend was toward a larger proportion in business properties, hospitals and government investment generally. A smaller proportion was going into factories and machinery than in 1949. Short crops in 1949 would have an effect on exports in the early part of 1950, but his 1950 forecasts were based on average crops rather than the subnormal crop of 1949. The construction industry, he predicted, would have its biggest year in 1950; indications were that the newsprint industry would continue to run at capacity; the pulp industry was now running at full capacity, a condition that would also be likely to continue. Metal mining would make about the same contribution, in volume, if not in dollars; markets for fish would likely absorb Canadian production; among the industries that would be down was shipbuilding. The railroad equipment and machine tool industries would be largely dependent on domestic demand.

TRIP THROUGH EUROPE

Speaking of his trip through continental Europe, he said, in part:

"I found that I had underestimated the improvement that is taking place in ECA countries. It was evident on talking with responsible leaders in each country, and it was still more evident after going over the situation with Mr. Harriman and Mr. Katz in Paris. There is no doubt that Europe is making progress toward free convertibility of exchanges. A programme to that end is advancing towards completion. An ingenious programme has been worked out to work out balance of international payments problems and an aggressive leader, in the person of Mr. Sticker of Holland, has been placed at the head of the programme. I had a talk with him at The Hague, as a result of which I look for an early return of convertibility of currencies within Europe....

"It is hoped that it will include the pound. The British treasury is not fully in agreement, but would seem to be coming into line. The programme is hardly workable without the pound. The objective is a programme that will make the pound and European currencies freely convertible. You might take the offhand view that this will mean a European bloc, and that trade with America will be influenced

adversely. I do not agree with that view. I put that hypothesis before the officials in Paris and it seemed to me that their answers were satisfactory. They seem to have provided safeguards against inflation, and for preventing that market getting out of balance with our own market. It seemed to me that they had satisfactory answers to the questions that I asked in that regard; and I came away convinced that such an arrangement is a logical first step toward the return of convertibility of currencies throughout the world.

"I found that the countries I visited were becoming less dependent on Marshall aid, and more and more tending in the direction of the return of trade to private enterprise....

"I found the people in all four countries that I visited were working hard. That was particularly noticeable in driving about the country districts. Every square inch of land was being cultivated. Those who were working the land seemed to be cheerful and happy. Food was plentiful. There were no food restrictions in the countries that I visited. There was plenty of food at reasonable prices. Each of the countries had a population problem. The growth of population has outstripped the productive capacity of the soil. That fact is a worry in all of these countries. Wherever I went I met a discussion of the possibilities of immigration to Canada. We in North America, with plenty of land, are bound to give serious attention to that problem....

"The threat of communist domination which was very evident and very serious during my visit in 1947, seems to have been reduced to manageable proportions. There are still large numbers of Communists in France and Italy, but they are clearly in the minority. The dividing line has been drawn, and, assuming that the productiveness in those countries can be kept up, provided there is no shortage of food, I think the fear of communist domination in the four countries that I visited was much less than during my visit in 1947. I came back from that earlier visit feeling that there was a possibility that Communism would sweep western Europe, as it has swept eastern Europe. I came back this time with a very strong feeling that that would not happen...."

213 RCAF RESCUE OPERATIONS: The R.C.A.F. handled 213 Search and Rescue operations during 1949, flying more than 3600 hours, it is announced by Air Force Headquarters, Ottawa. Incidents ranged from an air drop of insulin for a passenger stranded on a snow-bound train in British Columbia to parachute jumps by Air Force para-rescue men to aid distressed flyers. In addition to the 213 total, in which R.C.A.F. aircraft or marine craft actually took part, the Air Force Search and Rescue organization co-ordinated many other operations which were carried out by other agencies.

Forty-two of the year's operations were connected with aircraft in distress, and 35

with marine craft requiring assistance. There were 116 "mercy flights", while 20 incidents were searches for missing persons and operations of varying types.

APPRECIATION FOR RCAF AND RCN: An expression of appreciation for the parts played by the Royal Canadian Air Force, the Royal Canadian Navy and Canadian civilians in the search for crew members of a United States Air Force B-36 lost off the north coast of British Columbia in February, has been received by Group Captain J.A. Easton, Group Commander, 12 Group Headquarters, RCAF, in Vancouver, from Major-General Roger M. Ramey, Commanding General, Eighth Air Force, USAF, Fort Worth, Texas.

The 16-man crew parachuted from the B-36 over Princess Royal Island, 350 miles north of Vancouver, when the aircraft's engines caught fire on the night of February 14. An intensive search was immediately launched, under the over-all direction of 12 Group Search and Rescue Headquarters in Vancouver.

When a fishing vessel found 10 of the missing men on Princess Royal Island, that became the focal point for the search. The Canadian destroyer Cayuga, from Esquimalt, commanded by Captain M.A. Medland, R.C.N. of Toronto, assumed full direction of the land search on the island.

FOUR UNACCOUNTED FOR

Two more men were rescued from the island by search parties from the destroyer, leaving four unaccounted for.

From February 15 to 22, more than 400 men scoured the island. They included personnel from the Cayuga, four U.S. Coast Guard cutters, the Canadian Army, the RCAF, the Alpine Club of Vancouver and white and Indian trappers. Aircraft, Canadian and American, carried out aerial searches and air-lift operations.

On February 22, when it became apparent that the four missing men were not to be found on the island, the ground search was called off. An empty life raft and wreckage indicated that the men probably had come down in the waters of Hecate Strait.

In his letter to Group Captain Easton, Maj. Gen. Ramey stated, "...Personnel and units under your control or supervision far exceeded the standards set for search operations by international agreements. This fine display of spirit and co-operation is most gratifying."

In forwarding Maj. General Ramey's letter on to Rear-Admiral H.G. LeWolf, Flag Officer Pacific Coast, Group Captain Easton stated:

"I would also like to take this opportunity of thanking the RCN for the wonderful co-operation given in the recent search for the B-36. It is indeed gratifying that in time of emergency and without warning our two Services can work so closely together in harmony to achieve a common objective."

NORTH ATLANTIC TREATY ORGANIZATION COMMUNIQUE

MR. CLAXTON'S STATEMENT: The Minister of National Defence, Mr. Claxton, on his return from The Hague, presented to the House of Commons on April 3 the communique issued by the Defence Committee of the North Atlantic Treaty Organization, and denied the accuracy of a news report stating that "Canadians felt that they were not getting enough information on technical advances because of a road-block between the Pentagon in Washington and London." He spoke as follows:

"having just returned, Mr. Speaker, from the meetings of the various committees under the North Atlantic Treaty which were held at The Hague and were concluded on Saturday night, I thought the House would like to have presented to it the communique issued by the Defence Committee after it had been approved by the Committee at its meeting Saturday evening. It is as follows:

'The Defence Committee of the North Atlantic Treaty Organization held its third meeting on April 1, 1950, at Juliana Barracks, The Hague, The Netherlands, at 10 a.m.

'The purpose of the meeting was to consider the work that has been accomplished by the Military Committee and the Military Production and Supply Board since the second meeting of the Defence Ministers in Paris on December 1, 1949.

DELEGATES ATTENDING

'The Delegates attending the meeting were as follows: Belgium, Mr. Albert Deveze, Minister of Defence; Canada, Hon. Brooke Claxton, Minister of Defence; Denmark, Mr. Resmus Hansen, Minister of Defence; France, Mr. René Pleven, Minister of Defence; Italy, Mr. Rinaldo Pacciardi, Minister of Defence; Luxembourg, Mr. Pierre Lupon, Minister of State; The Netherlands, Mr. W.F. Schokking, Minister of Navy and War; Norway, Mr. Jens Christian Hauge, Minister of Defence; Portugal, Captain Americo Deus Rodrigues Thomaz, Minister of Marine; United Kingdom, Right Hon. E. Shinwell, Minister of Defence; United States, Hon. Louis Johnson, Secretary of Defence.

'At the Paris meeting in December the Defence Committee approved a board strategic concept which was later adopted by the Atlantic Council in January and directed the preparation of plans for the defence of the North Atlantic Treaty area.

'At its meeting the Defence Ministers unanimously approved the plan for collective self-defence that was recommended by the Chiefs of Staff in the Military Committee earlier in the week.

'Within a short space of six months the military planning organization has determined the general strategy of defence of the North Atlantic Treaty area, has prepared an estimate of the military situation if any attack be

launched against the Treaty nations, and has prepared plans for defence against such an aggression should it occur. These plans call for an integrated defence of the entire North Atlantic area as distinguished from individual national defence. Each nation, in accordance with article III of the Treaty, will help itself and the others in accordance with its available resources. Thus, for the first time, twelve independent and sovereign nations have achieved, through the democratic process of co-operation, a system for defending themselves and each other.

'The Defence Ministers acknowledged the speed with which the regional planning groups, the standing group and the Military Committee, achieved the first basis for their plans. At the same time they directed that the plans be kept under continuous review.

'They concerned themselves in particular with the role to be played by the Military Production and Supply Board which would insure the most efficient employment of the funds which are appropriated in each nation for military production, and they gave specific directives to this Board to implement standardization of equipment and to insure a co-ordinated production.

ADEQUATE FINANCING

'The Defence Ministers recognized the great importance of adequate financing to carry out the plan and the need for careful balancing of the respective national economies in the light of the present world situation. For this purpose they requested the Defence Finance and Economic Committee to survey the financial and economic potentialities available for defence purposes.

'Although considerable progress has been made since their last meeting in the attainment of collective security, which is the common goal of the Atlantic Treaty nations, the Ministers recognize that further sustained effort will be required. They adjourned with the strengthened conviction that the organization being set up would allow the countries to insure their defence both economically and efficiently.

'Mr. Louis Johnson, United States Secretary of Defence, served as Chairman of the meeting, and he expressed the gratitude of the Committee to The Netherlands Government for the kind invitation to meet in The Hague and the hospitality provided.

'The time and place for the next meeting will be determined as events require.

'That concludes the communique that was approved. I should like to add that in warmth of welcome, hospitality, and the excellence of the arrangements, the Government and people of The Netherlands did everything possible for the success of the meeting. Their attitude

also showed that the name of Canada still continues to stand high in the hearts and minds of the people and Government of that friendly nation.

"I should like to say also, Mr. Speaker, that in this connection there is a report appearing in the press of today under a Canadian Press dateline, referring to an Associated Press story, which reads:

'The AP story added: The Canadians felt they were not getting enough information on technical advances because of a road-block between the Pentagon in Washington and London.'

"I want to make it perfectly clear that nothing like this was said by any member of the Canadian delegation at The Hague, and that nothing like this was felt. Our arrangements for securing information, either from the United States or from the United Kingdom, in our minds leave nothing whatever to be desired. We are completely satisfied with them. Any suggestion to the contrary is based on a misunderstanding of the situation.

TRAINING PROPOSALS

"Finally, I should like to say that these meetings at The Hague presented us with an opportunity to discuss with the representatives of the countries there the offer that we had made to their representatives here on the 16th of March, under which we would train a hundred aircrew and a hundred and fifty army personnel. At The Hague we put before their Chiefs of Staff memoranda giving details of these proposals, which enabled us to discuss them there; and I have the greatest possible pleasure in telling the House that the reception given to those proposals was very enthusiastic indeed. There is no doubt that with courses that we are giving from June and July on, but mostly starting with the Air Force toward the end of August and for the Army in September, we shall expect to have sufficient applicants, from the various countries desirous of sending officers to train with us, to fill up all the vacancies. It was indicated in the course of our discussion that the plans did give rise to the discussion of rather similar arrangements being developed in other directions therefore in this we may have started something which may prove to be much larger than the plan itself."

ANNIVERSARY GREETINGS TO NFLD.: Leaders in the House of Commons extended warm greetings to Newfoundland on March 31, the day on which the Island completed the first year as the tenth Province of Canada.

Immediately the House opened, the Prime Minister, Mr. St. Laurent, arose to recall that at midnight that night Newfoundland would have been a Canadian province for a full year. He was sure, he said, the House would like to extend to the people of Newfoundland greetings and good wishes on this occasion.

"We have all been delighted," the Prime Minister said, "at the way in which hon. members from Newfoundland on both sides have contributed to our proceedings. They are at home with the rest of us and we are at home with them. That, I believe, is the spirit in which Newfoundland has fitted, and will continue to fit, into our Canadian union."

The Secretary of State, Mr. Bradley, Newfoundland's representative in the Cabinet, thanked the Prime Minister. He said that the reception accorded to his countrymen and himself upon their appearance in Parliament "was so spontaneous and wholehearted that even most implacable and irreconcilable anti-confederationists must have been convinced that our position here was not that of unwelcome guests, but that of valued members of the Canadian family of free people extending from the Atlantic to the Pacific."

Touching upon Newfoundland's marketing problems, he said Newfoundlanders were heartened by the knowledge that their negligible bargaining power in the world markets was now supplemented by the weight and influence of Canada. He counted as the pre-eminent achievement of his lifetime his share in bringing about union with Canada.

The Progressive Conservative Leader, Mr. Drew; the C.C.F. Leader, Mr. Coldwell; and the Social Credit Party Leader, Mr. Low, also extended greetings.

Newfoundlanders are at present awaiting the submission of the provincial budget, expected within a week or two. Various projects are slated for 1950; trans-Island highway, railway reconditioning, wharves, breakwaters and harbor facilities, housing and slum clearance. These are expected to take up the unemployment slack.

RAILWAY REVENUES: Operating revenues of the principal Canadian railways in December -- including Newfoundland -- totalled \$76,283,389, down \$1,200,000 or 1.5 per cent from the \$77,483,353 earned in the same month of 1948. Operating expenses were also lower, amounting to \$66,386,011, down 8.4 per cent or \$6,073,825 from a year ago. The net result was an operating income for the month of \$6,663,443 compared with a revised \$6,896,898 in December, 1948.

COST-OF-LIVING INDEX AT ALL-TIME HIGH: The national urban cost-of-living index advanced from 161.6 for February 1, 1950, to 163.7 for March 1 for a gain of 2.1 points. This marked a new post-war peak, exceeding the previous high point of 162.8 for August 1, 1949. Group indexes for rents, fuel and light, and miscellaneous items at March 1 were at their highest post-war levels, while foods, clothing and homefurnishings were appreciably below 1949 post-war highs.

The increase in the index during February was due principally to higher levels for rents and firmer prices for certain foods. The results of the March quarterly survey of rents were reflected in an increase in the rent

index from 125.0 to 132.7, this advance taking account of all rent changes since last November.

The food index rose 2.7 points to 204.0 during February when strength in prices for beef, lamb, eggs, coffee and fresh vegetables outweighed narrow declines for canned vegetables. Fuel and light, the only other group to register an increase, moved up 0.4 points to 136.3.

The clothing index receded from 183.0 to 181.4 with lower prices quoted for men's and women's topcoats and men's suits, while homefurnishings and services declined 0.1 points to 166.3. The index for miscellaneous items remained unchanged at 132.1.

Cost-of-Living Indexes (1935-39=100)

	Combined Index	Food	Rent	Fuel and Light	Clothing	Home Furnishings and Services	Miscellaneous
March 1, 1950	163.7	204.0	132.7	136.3	181.4	166.3	132.1
February 1, 1950.....	161.6	201.3	125.0	135.9	183.0	166.4	132.1
March 1, 1949	159.2	199.1	121.7	131.0	182.7	167.9	128.1

IN PARLIAMENT

Two no-confidence motions were launched against the Government in the House of Commons on April 4 in the commencement of the Budget Debate. J.M. Macdonnell, Progressive Conservative Party financial critic, asked the House to express regret that Government policies "make higher taxation inevitable; make no adequate attempt to eliminate extravagance and avoid unnecessary expenditure; and make no provision for a programme of national development...." C.C.F. Party Leader M.J. Coldwell asked for a no-confidence vote because the Government indicated through its policies that it was "prepared to accept the present level of production as adequate for this country..." Social Credit Leader Solon Low was the third Party Leader to criticize the Budget on that day. He was prevented by the rules from moving a third no-confidence motion.

The extension of control over Western wheat sales for another three years will be sought in a resolution to be introduced into the House of Commons, notice of the Government's intention being contained in the Commons' Order Paper of April 4.

The Foreign Exchange Control Board holds \$1,150,000,000 of Federal treasury money, it is shown in a return tabled in the House of Commons on April 4.

N.B. PROPOSES SALES TAX: The Government of New Brunswick is proposing a four-per-cent sales tax on retail sales and some services; a tax estimated to yield \$2,000,000 for the balance of the fiscal year ending October 31. Introduced into the Legislature on March 31, the Bill met opposition on first reading, but was passed on a straight party vote of 38 to 5. Easter adjournment followed the initial proceedings.

The consumer tax would apply to purchases of more than 10 cents. Exemptions include food, rent, shelter, gasoline, fuel, certain farm and commercial fishing equipment, medicine bought on prescription, railway rolling stock, commercial vessels, newspapers, magazines and periodicals when purchased by subscription for delivery by mail, and tobacco.

GOLD PRODUCTION DOWN: Gold production in Canada in January was down five per cent from December -- the high for recent years -- but 14 per cent above the January 1949 output. The month's production amounted to 354,773 fine ounces as compared with 373,091 in December and 309,810 in January, 1949.

Mines in Ontario accounted for 198,046 fine ounces in January as compared with 186,523 in the same month last year, Quebec for 93,378 ounces compared with 69,664, British Columbia 25,210 ounces compared with 24,431, Manitoba and Saskatchewan 22,659 ounces compared with 18,288, Northwest Territories 14,826 ounces compared with 10,873, and the Yukon Territory two ounces compared with 22.



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WEEK'S EVENTS IN REVIEW

CANADA'S TRADE PICTURE: Canada had a greatly reduced excess of imports over exports in trade with the United States in February than a year earlier, due to a substantial rise in Canadian exports across the border and a further decrease in imports of American goods in the month; while Canada's credit balance with the United Kingdom fell to the lowest monthly figure in many years as the result of a rise in the import value of British goods and a drop in Canadian exports to the United Kingdom. In trade with all countries, Canada had a small credit balance in the month.

Imports from the United States during February, for the fourth consecutive month, showed a decrease from the corresponding month a year earlier, being valued at \$143,300,000 as against \$148,800,000. Domestic exports, on the other hand, increased in value to \$128,800,000 compared with \$106,700,000, while foreign exports were unchanged at \$1,500,000. The adverse balance with the United States, as a result, amounted to only \$13,000,000 in the month as against \$40,600,000 in February last year. The January debit balance was also down substantially from January, 1949, the total for the two months standing at \$34,500,000 as compared with \$87,900,000.

Purchases from the United Kingdom during February rose in value to \$25,400,000 from \$22,900,000 a year earlier, while total exports -- domestic and foreign -- to the United Kingdom were down sharply to \$30,700,000 from

\$44,200,000. The favourable balance of trade consequently fell to the small figure of \$5,300,000 as compared with \$21,400,000 a year earlier, the two-month total being down to \$28,000,000 as against \$51,900,000 in 1949.

In trade with all countries, Canada's credit balance declined in February to \$1,400,000 from the January figure of \$11,800,000, showing a closely similar movement to last year when the credit balance fell to \$1,200,000 in February as compared with \$15,200,000 in January. Aggregate balance for the first two months was thus lower at \$13,200,000 as against \$16,400,000 for the same 1949 period.

Both commodity imports and exports in February were lower in value than in January, in keeping with the normal peacetime trend, and both were also below the values for February last year. Imports were valued at \$200,200,000 as compared with \$211,900,000 in January and \$206,000,000 in February, 1949. Domestic exports -- as earlier reported -- declined to \$199,500,000 from \$221,200,000 for January and \$205,000,000 for February a year ago, while foreign exports were valued at \$2,100,000 compared with \$2,600,000 and \$2,100,000 respectively.

Besides the decrease from the United States, February imports were lower in value than a year earlier from Latin America, continental Europe and Commonwealth countries as a whole (excluding the United Kingdom) and higher in value from the remaining foreign countries as

UN CONCILIATION PANEL: The Secretary of State for External Affairs announced on April 6, that the following five persons have been designated by the Government of Canada to serve as members of the United Nations Panel for Inquiry and Conciliation: Senator L.M. Gouin, Rt. Hon. Chief Justice J.L. Ilsley, Senator Norman P. Lambert, Rt. Hon. Vincent Massey, and the Hon. Chief Justice Sir Albert Walsh.

On April 28, 1949, the United Nations General Assembly adopted a resolution providing for the creation of a panel for inquiry and conciliation to be available to any States involved in controversies, and to the General Assembly, the Security Council, and other subsidiary organs when exercising their respective functions in relation to disputes. Each member state was invited to designate from one to five persons deemed to be well-fitted to serve as members of Commissions of inquiry or of conciliation.

ICAO HAVANA CONFERENCE: A careful examination into the needs and requirements of international flight in the Caribbean area will be made by an ICAO regional air navigation meeting which opened in Havana, Cuba on April 11, the International Civil Aviation Organization has announced.

The current session is the second ICAO regional air navigation meeting held for this area. It will review the plan drawn up by the first Caribbean meeting in September 1946; this plan involved consideration of the existing facilities for airports, navigational aids, communications, air traffic control, meteorology, operations, and search and rescue, and determination of the additional facilities required and the operating procedures necessary for the safe and efficient development of international air transport in the region. A review is necessary now in the light of the changes which have taken place in the last few years in the nature and extent of civil aviation operations in the Caribbean. New air routes have been opened since 1946, and certain of the long-established routes are now being flown by more modern types of aircraft which demand improved or modified facilities because they either cruise at higher speeds or fly at greater altitudes than their predecessors. Progress made in implementing the earlier regional plan will be studied and alterations will be introduced to allow for operational changes anticipated in the foreseeable future.

At the same time a study will be made of the allotment of radio communication frequencies in the area, and a plan prepared by which these frequencies may be assigned to make best use of the small number of radio channels available to civil aviation.

Canada is among the 27 ICAO member states invited to participate.

CARIBBEAN AIR CONFERENCE: Stuart Graham, of Montreal, Canadian Commissioner to the Air Navigation Commission of the International Civil Aviation Organization, will head a Canadian delegation which will leave for Havana, Cuba, this week to attend the Second Caribbean Regional Air Navigation meeting. Talks will get under way on April 11, and are expected to last about three weeks.

M.M. Fleming of the Civil Aviation Division of the Department of Transport will serve as alternate delegate to Mr. Graham. Advisers to the Canadian delegation include two other officers of the Department of Transport; M. Brant of the Radio Division and C. Bogart of the Civil Aviation Division; two R.C.A.F. officers: W/C W.P. Pleasance, representative to I.C.A.O. and S/L S.R. Miller, Search and Rescue specialist; and three officers of Trans-Canada Air Lines: B.A. Rawson, C.J. Campbell and S. Stevens connected with flight operations and communications.

The purpose of the meeting, at which states and international aviation organizations interested in Caribbean operations will be represented, is to examine the problems of air navigation and operations in the region. The delegations will prepare and plan all aids to navigation and recommend practices in the region, making recommendations to the Council of I.C.A.O. regarding facilities, services, and priorities on the international civil air routes and stimulate the development of aviation and safety measures within the region.

Accordingly, a meeting of communications experts will convene to discuss a radio frequency assignment plan for aeronautical stations serving the major world air routes traversing the region as well as to those routes within the region covered by regional and domestic services.

While Canada does not lie within the Caribbean region, it has a considerable interest in the region since the inauguration of air services to the Caribbean by the Trans-Canada Air Lines.

PURCHASE "AVENGER" U.S. AIRCRAFT: Negotiations have been completed for the purchase from the United States Government of a number of Grumman Avenger aircraft for the Royal Canadian Navy, the Minister of National Defence, Mr. Claxton, announced on April 6.

The Avenger is a wartime torpedo-bomber which performed with outstanding success in the Pacific theatre and has since been adopted as a standard anti-submarine aircraft by the United States Navy. It will be employed in the latter capacity by the R.C.N. and will be flown by 825 and 826 anti-submarine squadrons of the 18th Carrier Air Group.

"The Avenger has been adopted by the Royal Canadian Navy for use as an anti-submarine weapon because it has proven to be a most

suitable aircraft for this highly important role," Mr. Claxton stated.

"Because of its long range, ease of maintenance, heavy load carrying capacity and rugged construction, it is admirably suited for adaptation to the modern concept of anti-submarine warfare.

"An additional advantage is the easy procurement of spare parts, and another important feature, which will be welcomed by the United States and Canadian Navies, will be the fact that in joint training schemes squadrons can be exchanged by Canadian and American aircraft carriers with a minimum of difficulty."

The Avenger is also well known to the Royal Navy, a number of British naval air squadrons having been armed with this aircraft during the war.

POLAR WEATHER STATION: The Department of External Affairs announced on April 6 that the annual spring re-supply of the Canadian-United States Arctic weather stations, in which the Royal Canadian Air Force will this year cooperate with the United States Air Force, is now under way.

This air transport operation to the weather stations in the north of the Canadian Arctic islands, established jointly by the Meteorological Division of the Canadian Department of Transport and the United States Weather Bureau, will be carried out from the central joint weather station at Resolute Bay, Cornwallis Island. It will include the establishment of another joint weather station - the most northerly in North America - at the northeastern tip of Ellesmere Island. The new station will be some 500 miles from the North Pole and is to be named Alert after Sir George Nares' ship which wintered in the vicinity in 1875-76.

TRANSPORTATION OF SUPPLIES

The supplies to be transported include provisions, scientific instruments and fuel oil moved by ship to Resolute last summer. These will be delivered to the joint stations at Mould Bay, Prince Patrick Island; Isachsen, Ellef Ringnes Island; and Eureka on the west coast of Ellesmere Island. The spring air lift will continue until the end of April or early in May. While there will be sunshine 24 hours a day in the northern Arctic before the end of April, minimum temperatures will remain far below zero until about May 15.

The joint stations are each staffed by a Canadian officer-in-charge and equal numbers of United States and Canadian weather service personnel. Replacement staffs will take up their duties this spring when the stations are re-supplied. Weather reports from the joint Arctic stations are transmitted four times daily by radio to Edmonton, Alberta, and teletyped from there for distribution to forecast centres on the North American continent. They also receive world-wide distribution.

Since the inception of the joint Arctic weather station programme in 1947, the United States Air Force has carried out the air lift to the four joint stations at present established. This spring the U.S.A.F. is using C-47, C-82 and C-54 type planes of the Military Air Transport Service, and the R.C.A.F. is participating with a North Star transport from 426 Squadron, Dorval, P.Q. The scale of R.C.A.F. participation in the supply of the joint weather stations by air will be increased in 1951. It is expected that the R.C.A.F. will take over full responsibility for the work in 1952.

R N. SUB. ASTUTE FOR R.C.N.: H.M. Submarine Astute, a 1,620-ton submarine of the Royal Navy, has been made available to the Royal Canadian Navy and Royal Canadian Air Force for anti-submarine training purposes and will be based at Halifax from April 10 to July 1, the Minister of National Defence, Mr. Claxton, announced on April 6.

The Astute, commanded by Lieut. P.H. Jackson-Sytner, D.S.C., R.N., will arrive in Halifax April 10. From then until June 5, she will engage in a series of exercises with ships and aircraft of the R.C.N., the latter flying both from the aircraft carrier Magnificent and the R.C.N. Air Station, at Dartmouth, N.S.

The opportunity will also be taken to provide personnel specializing in the Torpedo Anti-Submarine branch of the R.C.N. with practical experience in submarine detection and in carrying out attacks.

From June 5 to July 1, the Astute will exercise with aircraft from the R.C.A.F.'s Maritime Operational Training Unit and the recently-formed 405 Maritime Squadron, flying Lancasters from the Greenwood, N.S. Air Force station.

H.M. Submarine Astute is an "A" Class submarine and is one of the newer and larger types in operation with the Royal Navy. She is fitted with "snort" breathing apparatus, which allows her to operate submerged for long stretches at a time.

CURRENT EMPLOYMENT SITUATION: The Minister of Labour, Mr. Mitchell, in issuing a statement on the current employment situation, expressed satisfaction with the new Supplementary Unemployment Insurance Benefits Plan.

Generally speaking, he said, the new provisions were working out very well and many who had been deprived of regular unemployment insurance benefits, either through exhaustion of their benefit rights or by not being previously covered under the Act, had benefited.

As anticipated, there has been a heavy response to the new programme of supplementary unemployment insurance benefits. Between February 28 and March 16, a total of 59,000 persons had applied for supplementary benefits.

Of this number, about 35,000 were persons who were not registered with the National Employment Service at the time this programme was started.

The employment situation in many sections of the country continued to show the slow improvement usual at this time of the year, although there have been a few temporary setbacks in certain areas.

IN PACIFIC REGION

In the Pacific region, there has been a steady and substantial decline in the number of registered job seekers since the middle of February. This decline now totals about 15,000. Job openings are continuing to increase in the manufacturing and transportation industries and in some farming districts, and an increasing number of skilled construction workers are returning to work. Construction, agriculture, trade and transportation will become steadily more active in the next few weeks.

On the other hand, increased seasonal activity has been offset by the completion of hauling in the logging industry in many parts of Quebec and the Maritime provinces, a reduction in the Newfoundland winter work programme, and layoffs in a large automobile company and some feeder plants in the Windsor area.

Exclusive of new registrations for supplementary benefits, there were 375,900 persons seeking work through National Employment Service offices on March 16, an increase of 3,000 over the comparable figure of March 2, but 5,000 less than the number on February 9.

RESERVES OF U. S. DOLLARS: The Minister of Finance, Mr. Abbott, announced on April 6, that Canada's reserves of gold and U.S. dollars were \$1,192 millions on March 31, 1950, a drop of \$12 millions from the figure reported in the Budget, which was for the close of business on the Saturday preceding the Budget. This drop was related to the beginning of the seasonal transfer of earnings on United States investments in Canada, to which the Minister referred in the Budget Speech.

The comparable figure for December 31, 1949, was \$1,117 millions, for January 31, 1950, \$1,149 millions, and for February 28, 1950, \$1,176 millions. At the end of March, 1949, the figure was \$1,067 millions. All these figures are in terms of U.S. dollars.

SALUTE CANADIAN WARSHIPS: Guns roared, whistles screamed and fireboats heaved sheets of water skyward as the three Canadian warships, "Magnificent", "Micmac", and "Swansea", steamed into the port of New York for a courtesy call on April 7, the first courtesy visit of a Canadian naval unit to a United States port.

The "Magnificent" and "Micmac" were in the Caribbean for six weeks participating in combined international exercises with Task Force 21 of the United States Atlantic Fleet, and left New York on April 12 to complete the return voyage to Halifax.

RAILWAYS IN THE RED: Railways operating revenues and expenses reached new high record levels in 1949. Operating revenues rose to \$885,354,000 from \$866,549,000 in 1948, and expenses advanced to \$822,572,000 from \$798,411,000. The net result was an operating income of \$31,469,000 for 1949, a decrease of \$3,503,000 from the previous year's revised total of \$34,972,000. As in 1948, Canadian railways again failed by a considerable margin to earn sufficient operating income to meet interest and other obligations despite near-record levels of activity and peak earnings.

Reviewing the year's operating revenues, each account registered an increase over 1948. Freight earnings rose 1.3 per cent or \$8,836,900 to \$701,081,900 -- a new record -- while passenger revenues were up 1.8 per cent or \$1,505,200 from 1948 to \$84,392,000. Mail receipts rose 1.5 per cent, while express gained 10.7 per cent or \$3,464,400 to \$35,738,600 -- an all-time high. Other passenger train earnings increased 14 per cent, and the miscellaneous accounts, 9.5 per cent. Operating expenses show increases of 3.1 per cent or \$4,948,700 in maintenance of way and structures which required \$162,086,500 during 1949, while maintenance of equipment advanced \$11,664,500 over 1948 to \$184,705,100. Traffic expenses were up five per cent to \$17,561,500. Transportation account at \$402,536,200 increased \$2,901,300, and general expenses were 8.8 per cent heavier at \$41,161,500.

MONUMENTS BOARD APPOINTMENT: The appointment of Charles E.A. Jeffrey M.B.E. of St. John's, Newfoundland, as a member of the Historic Sites and Monuments Board of Canada, has been announced by the Minister of Resources and Development, Mr. Winters. Mr. Jeffrey, who is well-known in educational and journalistic circles, has been editor of the St. John's Evening Telegram since 1923.

LABOUR FORCE SURVEYS: Detailed statistics on the results of each of the 17 quarterly labour force surveys conducted by the Bureau of Statistics since their inception in the Fall of 1945 to the end of 1949 are contained in a reference paper issued on April 5. It contains details on the size of the labour force, persons with jobs and persons without jobs seeking work, by region, sex and age. Estimates of the number of persons not in the labour force are included.

PRODUCTION

Domestic electric refrigerators and washing machines were turned out in Canada in greater volume in 1949 than in any previous year - 177,854 units of electric refrigerators, an increase of 28 per cent over 1948, and 350,884 washing machines, an increase of 8 per cent over 1948.

Sales of radio receiving sets by Canadian producers in 1949 totalled 728,680 units valued at \$55,323,941, an increase of 22 per cent in number over the 596,467 units valued at \$49,351,338 sold in the preceding year, but still about 13 per cent below the post-war peak of 836,419 sets sold for \$60,399,221 in 1947.

Production of new primary copper in January was 22,212 tons as compared with 23,640 in December and 20,805 in January last year. Nickel production in January decreased to 10,206 tons from 10,675 in the preceding month and 11,180 a year ago.

Production of pig iron and steel moved to higher levels in January. The month's output of pig iron rose to 190,432 net tons from 172,002 in the preceding month and 183,074 in the corresponding month last year, and steel ingots and castings to 289,949 net tons from 263,949 in December and 284,707 a year ago.

Shipments of asbestos from Canadian mines during January increased 17 per cent, amounting to 57,172 tons as compared with 48,872 in the corresponding month last year. Exports in the month stood at 54,759 tons, an advance of 26 per cent over the 43,437 tons exported in the same month last year.

Sales of electric storage batteries and parts by principal Canadian producers in January were valued at \$1,162,127 as compared with \$1,637,617 a year ago.

Production and shipments of Portland cement by Canadian manufacturers were higher in January this year than in the same month last year. The month's output amounted to 1,252,505 barrels as compared with 1,121,659, and the shipments aggregated 652,769 barrels against 621,044.

Canadian production of iron and steel wire nails reached a high total of 89,700 tons in 1949 as compared with 85,700 in the preceding year, an increase of five per cent. In December, 8,000 tons were produced as compared with 8,300 in November and 7,100 a year earlier.

Releases of cigarettes for consumption in Canada rose to 1,459,000,000 in February from 1,408,000,000 in the preceding month and 1,183,000,000 in the corresponding month last year.

Canadian production of beer in February amounted to 424,400 barrels as compared with 456,700 in the preceding month and 390,700 in the corresponding month last year.

February production of new spirits totalled 1,690,000 proof gallons compared with 1,940,000 in January and 1,910,000 a year ago, bringing the two-month total to 3,630,000 gallons compared with 3,870,000 a year earlier.

IN PARLIAMENT

Drawing attention to a press release in which it was stated that Tim Buck, leader of the Communist Labour-Progressive Party in Canada, was attending a communist convention in Hungary, Mr. T.H. Goode, (Burnaby-Richmond) in the House on April 5, declared:

"I suggest, Mr. Speaker, it is about time that this House of Commons should demand that Communists of the type of Tim Buck be put in a place that would preclude their opportunities of attending such conventions to allow them to come back to Canada and spread the communist doctrine among others."

Mr. Gordon Graydon, (Peel) asked the Secretary of State for External Affairs, Mr. Pearson, if Tim Buck were granted a passport to go overseas in connection with the mission to which reference had been made.

Mr. Pearson: I assume that the gentleman in question -

An hon. member: Gentleman!

Mr. Pearson: - if I may call him that, is the possessor of a Canadian passport. I have no knowledge of the circumstances under which it was issued, or when it was issued.

Asked by Mr. Goode if the Minister had the power to revoke such a passport, Mr. Pearson replied:

"I do not know of any occasion on which a passport in the possession of a Canadian citizen has been revoked. Whether I have the legal power to do that, on the assumption that I could get hold of the passport, is something I should like to look into before I answer."

The initial price of wheat for the 1950-51 crop year has been set at \$1.40 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver, the Minister of Trade and Commerce, Mr. Howe, announced in Parliament on April 5.

The House of Commons adjourned on April 5 until Monday, April 17.

MEAT EXPORTS DOWN: Canadians consumed more meat in 1949 than in the preceding year, but both production and exports were lower, according to the Bureau of Statistics. Per capita consumption in 1949 rose to 139.2 pounds from 134.5 in 1948, but production of meats from live stock slaughtered, together with estimated meat equivalent of animals exported alive was 2,131 million pounds, a decrease of five per cent from the 1948 production of 2,235 million. Exports of meats, on a cold dressed carcass basis fell to 205,669,000 pounds from 418,313,000 in 1948. These figures compare with a 1935-39 average of 193,436,000 pounds. Exports of all kinds of live animals except calves were also lower than in 1948.

The most significant decline in exports was in pork which fell to 76,060,000 pounds from 229,496,000 pounds, and was less than half the 1935-39 average of 176,630,000 pounds. Beef exports were also lower at 105,121,000 pounds as against 133,822,000, mutton and lamb at 3,906,000 pounds compared with 5,056,000, and canned meats at 13,312,000 pounds compared with 43,079,000.

Per capita consumption of pork rose to 59.3 pounds from 53.9 pounds in 1948.

UNEMPLOYMENT INSURANCE: Claims for unemployment insurance benefits in February numbered 125,511, down sharply from the preceding month's total of 196,624, but higher than last year's February total of 108,759. Initial and renewal claims, representing mainly new cases of unemployment among insured persons, totalled 109,282 in February as against 182,053 in January and 93,463 a year earlier. On the last working day in February, ordinary claimants on the live unemployment register numbered 286,163 compared with 297,238 at the end of January and 208,818 on the corresponding date last year.

WHEAT SUPPLIES DOWN: Supplies of Canadian wheat available for export and carry-over on March 1 this year amounted to 198,200,000 bushels, showing a decrease of 19,900,000 bushels from last year's corresponding total of 218,100,000 bushels, according to the Bureau of Statistics.

Exports of Canadian wheat and wheat flour in the first seven months of the current crop year ---August to February -- amounted to 131,600,000 bushels as compared with 116,600,000 in the similar period of 1948-49. Wheat exports in the period totalled 105,400,000 bushels compared with 86,100,000, and wheat flour exports in terms of wheat amounted to 26,200,000 bushels compared with 30,500,000.

Carry-over stocks of wheat at the start of the present crop year amounted to 102,400,000 bushels compared with 77,700,000 a year earlier. The new crop was estimated at 367,400,000 bushels compared with 386,300,000. With

small imports of wheat and wheat flour added, the total supply amounted to 469,800,000 bushels as compared with 464,300,000.

Domestic requirements for the crop year were estimated at 140,000,000 bushels compared with 129,600,000, and the quantity available for export or carry-over in the crop year totalled 329,800,000 bushels compared with 334,700,000.

\$600,000 FOR UNICEF: The Secretary of State for External Affairs, Mr. Pearson, announced on April 12 that the Government would ask Parliament to vote the sum of \$600,000 as a contribution to the United Nations International Children's Emergency Fund. This money will be used by the Children's Fund to purchase dried salt codfish in Canada.

The Minister commented on the excellent work which UNICEF was doing in carrying out demonstration and feeding programmes for undernourished children of many nations. The purchase of the fish, he said, would be of advantage to the Canadian fishing industry particularly in Newfoundland. At the same time this purchase indicated the value placed upon dried fish in UNICEF's nutritional programme.

Tenders on behalf of UNICEF have already been called by the Canadian Commercial Corporation.

MOTOR VEHICLES FINANCING: Sales and financing of sales of motor vehicles continued to show large gains in February, passenger cars accounting for all of the gain in the sales of new vehicles, and for a large part of the financing in the new and used class. Greater gains were registered in the financing of sales of new vehicles than in used vehicles.

Sales of new motor vehicles in February totalled 29,497 units with a retail value of \$58,581,025 as compared with 14,496 units sold for \$31,487,883 in February, 1949. There were 23,310 new passenger cars sold for \$46,176,023 as compared with 8,036 at \$17,466,515. New truck sales numbered 6,159 compared with 6,414, retailing for \$11,898,956 as compared with \$13,117,502.

DAILY FARM NEWS SERVICE: The news service supplied by the weekly 'Farm News' press clip sheet, issued regularly by the Department of Agriculture during the past fifteen years, will from now on be replaced by a day to day service and news items will go forward as soon as the information becomes available.

This announcement was made on April 6 by S.R.N. Hodgins, Director, Information Service, Department of Agriculture, Ottawa. Mr. Hodgins also announced that this daily service would be supplemented by frequent issues of a bulletin, patterned after the 'clip sheet', containing short items as well as information

dealing with farm practice and experiments in which the time of release is not an essential factor.

The 'clip sheet' had a wide distribution in Canada as well as internationally and this change, Mr. Hodgins stated, would in no way reduce the service to the recipients, but would rather expand it.

U.S. LEGION OF MERIT: Announcement of the award of the United States Legion of Merit, Degree of Commander, to Air Vice Marshal A.L. Morfee, CBE, of Granville Ferry, N.S., was made on April 6.

The award is for A/V/M Morfee's "exceptionally meritorious conduct in the performance of outstanding services" during the war years, and for his post-war work as a member of the Permanent Joint Board of Defence.

A native of London, England, A/V/M Morfee served in the Canadian forces for more than 30 years. His military career began during the First World War when he served as a private in the Canadian Expeditionary Forces. Later he served with the Canadian Air Force and the Air Board, and was one of the original members of the RCAF when it was formed in 1924. He retired from the RCAF in September 1948.

"CANADIAN OCCUPATIONS": The Minister of Labour, Mr. Mitchell, on April 12, made a further announcement on the "Canadian Occupations" series of booklets and pamphlets. The final number in the construction trades group, entitled "Electrician" is now being issued. The Minister stated that several others, dealing with professions, trades, and industrial groups of occupations, are in an advanced stage of production.

INDUSTRIAL EMPLOYMENT DOWN: Industrial employment in Canada showed a further pronounced recession at the beginning of February, the working forces of 21,028 representative establishments falling 3.4 per cent as compared with January 1. The loss was due to some extent to seasonal movements, but also resulted in part from unfavourable weather in many parts of the country, notably in British Columbia. There were decreases in all provinces, while industrially there were also widely-distributed losses, those in trade and construction being particularly large.

Although the general index number of employment, at 187.3 per cent of the 1926 average as 100, showed an above-average decline from January 1, and was 1.7 per cent below the February 1, 1949 level, it exceeded that indicated at mid-winter in any earlier year of the record. Rising fractionally from January 1, 1950, the index number of payrolls was slightly above that for February 1 last year, and was also higher than at the same date in any preceding winter.

At \$43.90, the average weekly earnings of men and women employed by leading firms in the major non-agricultural industries were the highest in the record, exceeding by nine cents the previous maximum reached at December 1, 1949. It was 2.3 per cent higher than at February 1 last year.

THE PROVINCES

The most Western Province presented a golden mace to the Legislature of the most Eastern Province in a ceremony at St. John's, Nfld., on April 5, when Herbert Anscombe, Deputy Premier and Minister of Finance of British Columbia, presented the mace to the Speaker of the Newfoundland Legislature.

Quebec's second session of the 23rd Legislature ended on the afternoon of April 5. In all 44 bills were passed during the session, including the Provincial Lottery Bill. Sir Eugene Fiset, who prorogued the Legislature, concludes ten years as Lieutenant Governor on June 11.

Premier Frost of Ontario stated in the Ontario Legislature on April 5 that the Royal Commission on Education, appointed in 1945, is preparing the final draft of its report to be submitted to the Ontario Government.

(Continued from p. 1)

well as the United Kingdom. Changes in values for geographic areas, however, were generally of moderate proportions.

Among the decreases, imports from Latin America, were valued at \$10,571,000 as against \$13,689,000, most of the decline being accounted for by a drop from \$6,171,000 to \$3,487,000 in purchases from Venezuela. Imports from Europe declined only to \$5,492,000 from \$5,916,000, with no particularly marked gains or losses for individual countries. Total value of imports from other foreign countries was up to \$3,925,000 as compared with \$2,519,000.

Imports from Commonwealth countries in Asia increased in value during February to \$7,217,000 from \$5,043,000 last year, substantially higher figures for India and Ceylon outweighing a decrease for Malaya. Increased purchases from British East Africa resulted in an increase also in imports from Commonwealth countries in Africa to \$1,446,000 compared with \$1,175,000. Imports from the British West Indies group, however, again declined to \$1,076,000 as against \$2,127,000 a year ago; while, in contrast with a January gain, imports from the Oceania group fell off to \$1,517,000 compared with \$3,538,000. Aggregate value for these Commonwealth groups was down only slightly to \$11,262,000 as against \$11,886,000.

DR. ALBERT ROPER RETIRING: Dr. Albert Roper will retire as Secretary General of the International Civil Aviation Organization in 1951, according to an announcement made on April 13 at ICAO Headquarters in Montreal.

Dr. Roper has been in the service of international aviation for more than thirty years. He was Secretary of the Aeronautical Commission of the 1919 Peace Conference which was responsible for the preparation of the Convention of Paris, the first international agreement in the field of aerial navigation to achieve wide-spread acceptance.

In 1922, when this Convention was ratified by a sufficient number of nations and the International Commission for Air Navigation came into being, he was appointed its Secretary General, a position which he held for twenty-five years. During this period international aviation became one of the major means of world transportation. When ICAO came into existence after the war to replace ICAN, Dr. Roper became its first Secretary General.

Born in France, Dr. Roper is a Doctor of Law of the Faculté de Droit de Paris. He served during the first world war as a pilot with the French Air Force. He is an Officer of the Legion of Honour, Commander of the Order of the British Empire, and has received decorations from other nations.

COMMERCIAL FAILURES HIGHER: Commercial failures under the provisions of Bankruptcy and Winding Up Acts showed a further marked increase in number and defaulted liabilities in 1949, continuing the upswing from the war-time low reached in 1945. The year's total of business failures was 1,066, up 31 per cent over the preceding year's total of 813, and the highest since 1940 when 1,173 failures were reported. The defaulted liabilities amounted to \$21,356,000, up 35.8 per cent from 1948, and the largest since 1934 when the aggregate was \$23,598,000.

Failures in Quebec rose to 827 from 613 in 1948, and their defaulted liabilities moved up to \$12,842,000 from \$10,622,000. In Ontario there were 131 failures with liabilities of \$5,222,000 compared with 116 failures and liabilities of \$2,728,000 in 1948. In British Columbia there were 55 failures compared with 41 with liabilities of \$1,985,000 compared

with \$1,612,000. Totals for the other provinces were comparatively small.

Failures in trade during the year increased to 374 from 289 in 1948, in manufactures to 232 from 188, service to 203 from 144, construction to 94 from 77, transportation and public utilities to 46 from 30, and finance to 19 from four.

MINERAL PRODUCTION RECORD: Ontario accounted for slightly more than a third of the total value of minerals produced in Canada in 1949, Quebec being next in order with 18 per cent, British Columbia third with 15 per cent, and Alberta fourth at 13 per cent, according to the preliminary annual report containing detailed statistics for the year released by the Bureau of Statistics.

The all-Canada total reached a record figure of \$890,200,000, showing an increase of 8.5 per cent over the previous peak of \$820,249,000 in 1948. The 1949 value includes for the first time an amount of \$25,681,500 for Newfoundland, representing 2.9 per cent of the all-Canada total. The total value for the other nine provinces and two territories in 1949 was \$864,500,000, up 5.4 per cent over 1948.

Ontario's output in the year was valued at \$315,323,400 as compared with \$294,239,700 in the preceding year, Quebec \$163,962,200 compared with \$152,038,900. British Columbia \$133,395,400 compared with \$148,223,600, and Alberta \$116,171,900 compared with \$93,211,200.

LIVING COSTS HIGHER: Regional cost-of-living indexes for eight Canadian cities all moved higher during February, sharp upturns in the group indexes for foods and rents being mainly responsible. Fuel costs were slightly higher at Montreal, while homefurnishings and services rose fractionally at Toronto.

Composite city index advances between February 1 and March 1 were as follows: Toronto, 3.1 points to 160.7; Winnipeg, 2.5 to 158.8; Montreal, 2.4 to 166.6; Vancouver, 1.8 to 165.2; Halifax, 1.7 to 155.0; Saint John, 1.7 to 159.5; Edmonton, 1.4 to 159.5; and Saskatoon, 0.9 to 164.5. During the same interval, the national index moved up 2.1 points to 162.4.



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WEEK'S EVENTS IN REVIEW

FAITH IN THE UNITED NATIONS: Canada re-affirmed faith in the United Nations in the report, "Canada and the United Nations, 1949," prepared by the Department of External Affairs, and tabled in the House of Commons on April 17 by the Secretary of State for External Affairs, Mr. Pearson.

In the concluding paragraph of the General Survey which precedes a review of Canada's activities at the world organization throughout the past year, Canada's attitude is summarized, in part, as follows:

"In regard to the major objective of the United Nations, the prevention of war and the removal of its causes through universal collective action, it is often a record of disappointment and frustration. In other respects, however, within the more limited field of operation open to the United Nations and the specialized agencies, means have been adjusted to circumstances with creditable flexibility for so complicated a structure, and the amount that has been accomplished is surprisingly large and varied.

"Moreover, whatever the record of accomplishment, the events of the first four years in the life of the United Nations have confirmed the principles upon which the Organization is based. The Canadian Government will not readily abandon the hope that these principles may be applied upon a universal basis. Meanwhile, Canadian delegations to the United Nations and the specialized agencies will

continue to make the fullest contribution within their power to the effective working of these organizations in the present difficult circumstances."

The General Survey which precedes the report proper notes the limitation imposed by the inability of the Security Council to enforce its decisions. The abuse of voting procedure, the report states, which requires unanimity amongst the permanent members on all questions of substance, and the failure of the Military Staff Committee to agree upon measures for the establishment of military force under international control, are the formal handicaps from which the Security Council suffers.

In spite of limitations, however, the report notes that the Security Council was the instrument in 1949 through which the international community dealt with three dangerously inflammable problems: Indonesia, Kashmir and Palestine. Consideration of these items gave particular significance to the two-year term of membership which Canada completed at the end of 1949. The report adds that the lessons drawn from the experience were summarized by the Secretary of State for External Affairs in his statement at the opening of the Fourth Session of the General Assembly.

The Survey goes on to deal with the work of the General Assembly throughout the year, touches on the activities of the Economic Committee, the Social Committee and the Trusteeship Committee, and proceeds to an analysis

AMBASSADOR OF IRELAND: The Department of External Affairs announced that Mr. Sean Murphy presented on April 13 to His Excellency the Governor-General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Ireland to Canada.

The Secretary of State for External Affairs, Mr. Pearson, was present. Mr. John O'Brien, Secretary of the Embassy of Ireland, accompanied the Ambassador. Mr. Howard Measures, Chief of Protocol, Department of External Affairs, presented Mr. Sean Murphy to His Excellency the Governor-General.

Mr. Murphy was born in 1896, is married and has four daughters. He was educated at Clongowes Wood College and University College, Dublin. After practising as a solicitor, he served in Paris in the foreign service of his country; later he became administrative officer of the Department of External Affairs and in 1928 was Assistant Secretary of the Department. Mr. Murphy was a member of the Irish delegations to the Imperial Conferences held in 1926, 1929 and 1930 and attended successive League of Nations Assemblies. He was Irish Minister to France and Belgium from 1938 until his present appointment as the first Ambassador of Ireland to Canada. Mr. John J. Hearne, S.C., who has been High Commissioner for Ireland in Canada since August, 1939, left Ottawa on March 28 to take up his duties as Irish Ambassador to the United States.

APPRECIATION FOR N.Y. WELCOME: Appreciation for the warmth and extent of the welcome given more than 1,300 officers and men of the Royal Canadian Navy who visited New York over the Easter holiday has been expressed by the Minister of National Defence, Mr. Claxton.

In a message to Kenneth Greene, Canadian Consul General in New York, Mr. Claxton asked that this appreciation be conveyed to the United States naval authorities, the Mayor and officials of New York and the numerous other organizations and private citizens who welcomed and entertained the Canadian sailors during their five-day visit, April 7-12.

"Exchanges of goodwill of this kind reinforce the strong ties of friendship which exist between the armed forces of the United States and Canada in their work together to preserve peace and the security of our continent," Mr. Claxton added.

At the same time, Mr. Claxton congratulated Commodore K.F. Adams, of Victoria, commanding officer of the aircraft carrier Magnificent and Senior Canadian Naval Officer Afloat, and the officers and men of the Magnificent, the destroyer Micmac and frigate Swansea on the good impression they had made in New York as unofficial goodwill ambassadors for Canada.

WAR DAMAGE AGREEMENT: The Department of External Affairs announced on April 14 the completion of an Equal Treatment Agreement between Canada and Belgium in connection with war damage compensation. In order to benefit from the agreement, applicants, whether individuals or corporations, must prove that they enjoyed Canadian nationality both when the damage was sustained and on August 17, 1949. Persons who were Canadian nationals on one only of these dates and were, on the other date, either Belgian nationals or nationals of another country with which Belgium has concluded a reciprocal agreement on war damage compensations, are also entitled to claim under the agreement. Individuals and corporations who qualify under the agreement will receive equal treatment with Belgian nationals under Belgian Legislation.

Claims are to be submitted before June 2, 1950, directly to the appropriate Belgian authorities.

Petitions must be filed on special forms issued by the Belgian Government and obtainable from the Department of External Affairs, Ottawa.

"ONTARIO" TO PEARL HARBOR: The 8,000-ton cruiser HMCS Ontario, commanded by Captain Hugh F. Pullen, O.B.E., R.C.N., of Oakville, Ont., will sail from Esquimalt April 18 on a one-month training cruise to Pearl Harbor, Hawaii, Naval Headquarters, announced on April 14.

The Ontario is scheduled to arrive at the United States naval base on April 25. She will carry out training exercises in the area until May 9, when she will set course for Esquimalt, arriving back at her home port on May 17.

This will be the second time within two years that the Ontario has visited Pearl Harbor. In the Fall of 1948 she led a five-ship Canadian task force to Hawaii for a month of intensive training exercises.

On board the Ontario, in addition to her normal complement of 500 officers and men, will be more than 200 new entry seamen under training and a number of Reserve officers and men.

The cruiser's departure for Pearl Harbor comes two weeks after her return from a one-month training cruise to ports in California and Mexico, on which she was accompanied by the destroyers Cayuga and Sioux.

BORDER TRAFFIC. Volume of highway traffic entering Canada from the United States in February was four per cent higher than in the same month last year, the increase in returning Canadian traffic accounting for the rise. Foreign traffic declined one per cent, a drop in non-permit or local vehicles more than offsetting a gain in vehicles entering on traveller's vehicle permits.

RECORD TEXTILE PRODUCTION: Reflecting unprecedented demands for textiles and textile products for civilian use in the years immediately following the end of the war, the gross factory selling value of products turned out by Canadian textile mills reached an all-time record total of \$1,062,041,000 in 1947, up 19.5 per cent over the 1946 value of \$886,559,000, and almost three times the 1939 total of \$392,658,000.

Although great strides were made toward meeting the heavy demand, some products were still in scarce supply at the end of the year and the mills had a large volume of orders on hand. Throughout the year, textile manufacturers continued to increase their productive facilities by modernizing or extending existing plants.

At the end of 1947 there were 3,216 establishments in operation as compared with 3,082 at the end of 1946. The employees numbered 176,065 as compared with 164,737 in the preceding year, and their salaries and wages aggregated \$268,105,000 compared with \$228,018,000. Both number of employees and salary and wage payments exceeded all previous years.

VALUE OF PRODUCTS

The value of products of each of the main sections of the textile industry moved up sharply during the year. The women's factory clothing group increased to \$184,305,000 from \$174,353,000, men's factory clothing to \$183,166,000 from \$152,707,000, cotton yarn and cloth to \$158,272,000 from \$109,828,000, hosiery and knitted goods to \$127,838,000 from \$105,209,000, synthetic textiles and silk to \$84,870,000 from \$65,521,000, and woollen cloth to \$65,507,000 from \$56,879,000.

The Provinces of Quebec and Ontario dominate the field of textile manufacturing in Canada. Quebec accounted for 54.8 per cent of the all-Canada gross value of production in 1947 and 55.2 per cent of the number of persons employed, while Ontario accounted for 37.5 per cent of the gross value and 37.5 per cent of the employment.

In Quebec, the total value of output in 1947 was \$582,389,000. Women's factory clothing headed the list with a value of \$123,178,000, followed by cotton yarn and cloth at \$111,478,000, men's factory clothing \$108,220,000, synthetic textiles and silk \$56,966,000, and hosiery and knitted goods \$53,155,000. The aggregate value of production of these five industries was \$452,996,000, or 77.8 per cent of the total for the Province.

In Ontario, the production of hosiery and knitted goods -- the largest industry -- was valued at \$66,110,000, men's factory clothing \$55,046,000, women's factory clothing \$47,939,000, cotton yarn and cloth \$39,062,000, and woollen cloth \$38,613,000. These five leading industries accounted for \$246,770,000, or nearly 62 per cent of the total for the Province.

RAIL WAGE DEMANDS REFUSED: Two conciliation boards have rejected the demands of railway workers, based on a five-day, 40-hour week with the same take-home pay. The boards' suggested compromise is for a 44-hour week but not enough hourly pay increase to effect the same take-home pay as the workers now receive for 48 hours.

The boards' comment on the economic aspects of the railway-wage situation, is in part, as follows:

"Under certain circumstances, a union may be well advised to accept a lesser wage with continuity of employment than to insist on a higher wage which may threaten that continuity. The competitive position of the railways vis-a-vis truck and water competition must always be kept in mind by union leaders as well as railway managers with a view to insuring that rail transportation does not price itself out of the market. That this can be done, has been, we think, pretty clearly demonstrated in the coal industry both in the United States and Canada during the past few years. The changeover from coal to a cheaper and more reliable form of fuel has assumed the proportions of a stampede."

FARM LABOUR AGREEMENTS: The Minister of Labour, Mr. Mitchell, announced on April 18 that the 1950 Federal-Provincial Farm Labour Agreements had been forwarded to the Provincial Ministers of Agriculture for signature.

In 1950, as in previous years since the Farm Labour Programme was developed early in World War II, the federal Government will assist each Province entering the agreement, in recruiting, movement and placement of workers in agriculture, and related industries such as food processing, lumbering and logging. In addition to the efforts of co-ordination provided by the Immigration and Farm Placements Branch of the Department of Labour, and the National Employment Service, the federal Government provides direct financial assistance towards the recruiting and placement of farm help.

The Minister stated that a major objective of the agreements was to provide farm help when and where it was most needed. Largely as a result of movements of agricultural workers under the provisions of the agreements, no crop losses were reported in 1949 due to shortage of farm help. He pointed out that considerable satisfaction had been expressed in connection with the joint efforts of federal and provincial officials to solve farm labour problems during the past few years.

Approximately 3,500 agricultural workers were involved in movements within Canadian borders during 1949, organized under these agreements.

PUBLIC LIBRARIES SURVEY: Canadian public libraries increased their stocks of books by about 500,000 volumes between 1945 and 1947, and more than doubled the average biennial increase in the preceding 14 years, according to the biennial survey released by the Bureau of Statistics. This raised the total to a record figure of 6,431,200 volumes. The increase was the result, in part, of deferred purchases during the war years when European books were not available and American and Canadian releases were fewer in number.

In comparison with pre-war years less reliance appeared to be placed upon public libraries as a source of fiction reading for the adult population; circulation of this kind has dropped more than 25 per cent in 10 years. Public libraries, however, have maintained their place as a provider of adult non-fiction and of juvenile books, the latter frequently in collaboration with the schools. At the same time staffs have been strengthened and better service made possible by the libraries as reference centres.

Despite the increase in volumes, loans have decreased almost to the 1937 level. During the war years there was a considerable inflation of circulation and a measure of retrogression was expected in the post-war years. Circulation was down in 1947 to 19,721,411 from 20,016,292 in 1945, and the borrowers fell to 1,168,697 from 1,254,467.

Expenditures on public library service rose to \$3,739,000 from \$2,764,000 in 1945, with gains reported in all provinces.

RECORD TELEPHONE INSTALLATIONS: Continued heavy demand both for business and residential telephone service boosted telephone installations in 1948 to an all-time record figure of 221,271 as compared with the previous peak of 204,479 in 1947. This raised the total in use to 2,451,868, a gain of nearly 10 per cent over 1947, and an increase of 80 per cent in the past decade. Unfilled requests for telephone connections at the end of the year assured considerable expansion throughout 1949 and beyond. Telephones per hundred population increased from 17.7 in 1947 to 19.0, with all provinces registering gains.

The number of business telephones increased from 645,154 in 1947 to 701,869, or by 8.8 per cent, and residential telephones advanced from 1,194,840 to 1,328,373, or by 11.2 per cent. Rural and public pay telephones also registered appreciable gains over 1947. Automatic or dial types totalled 1,398,821, or 57 per cent of installations, while those on manual switchboards represented 43 per cent against 44 per cent in 1947; and numbered 1,053,047 at the end of 1948.

The estimated number of completed calls for all systems rose from 3,843,264,173 in 1947 to 4,117,217,182 in 1948, an increase of 7.1 per cent. This represented an average of 1,679

calls per telephone or 320 calls per head of population. The number of long distance calls during the year reached a new record at 91,875,182, an increase of 9,180,000 or 11.1 per cent over 1947.

PHOTOGRAPHING CANADA: The RCAF's three photo survey squadrons, responsible for the major part of the world's greatest aerial photo programme, have commenced what may be the last "big year" in the 28-year-old task of covering Canada by aerial pictures, it was announced on April 20 by Air Force Headquarters. Two Dakota aircraft left their Rockcliffe home base, near Ottawa, this week for Edmonton, to establish field headquarters there for one of the squadrons, and actual photo operations are expected to start within the next few weeks.

Between 35 and 40 photo and supporting transport aircraft from the photo squadrons will take part in the work, operating in various parts of the country, and by the time the last one returns in the autumn, practically all of Canada may have been recorded on aerial film.

Air Force officers said that this will not mean the completion of Canada's aerial photo programme, but will rather mean the finish of one of the two types of work. Two different types of photos are taken--tri-metrogon and vertical. Tri-met operations, done by three cameras working simultaneously from a single aircraft, produces aerial shots used for air navigation charts and for basic exploration and mapping. Vertical photography, done by a single camera, produces pictures giving greater detail, and is used for detailed mapping, in addition to its many commercial uses.

It is the tri-met part of the overall programme that may be finished this year, weather permitting. In the case of vertical photography, however, several years' work remains before coverage is complete.

ANNUAL REPORT ON LIVE STOCK: The Bureau of Statistics has released the annual report on live stock and animal products statistics for the year 1948. The present issue -- the 30th in an annual series -- contains data on numbers, prices and values of live stock and the production of animal products, as well as records of commercial marketings and inspected slaughterings. Price of this report is 50 cents per copy.

CARLOADINGS: Carloadings on Canadian railways during the week ending April 8, affected by the holiday on Good Friday, fell to 63,594 cars from 71,997 in the corresponding week last year. Eastern division loadings amounted to 41,768 cars as against 47,421 in 1949, while western volume was 21,826 cars against 24,576.

FAITH IN THE UN: (Cont'd. from page 1)

of the difficulties which were encountered in the way of reaching decisions and of giving them effect. The Survey proceeds:

"The most fundamental of these difficulties results from the fact that the ideal of universal membership on which the United Nations was founded has brought about the inclusion within one organization of a majority composed of democratic states and a minority composed of Communist ones. Thus, the United Nations is the meeting place of rival political and economic philosophies. Inevitably, this puts an ever-increasing strain on the machinery of the United Nations and makes the implementation of its purposes and principles extremely difficult. For, as we have painfully learned, these purposes and principles mean very different things to nations holding differing political philosophies. Human rights and freedoms, the self-determination of peoples, international co-operation, are concepts which throughout the civilized world have long had substance and meaning. They are, it is true, ideals which have not been fully realized in practice. The United Nations was founded with the object of bringing about their fuller realization. Since the San Francisco Conference, when the Soviet Union adhered to these purposes and principles, it has become increasingly clear that the Communists do not believe in these ideals and have no intention of working for them. They have subscribed to the language of the Charter but their own aims are at variance with its principles.

COMMUNIST STATES

"The Communist-controlled states do not believe in co-operation for the improvement in the free world of political, social and economic conditions because they do not believe improvement possible except by the adoption of Communism. Claiming as they do that society in non-Communist countries is organized on an intolerable basis of exploitation, they resist all proposals for international co-operation which serve other causes than Communism itself. They cannot work together with us for the promotion and encouragement of human rights and liberties because these rights and liberties do not exist within their own borders. Most serious of all, they are not willing to contribute to the main purpose of the United Nations--the maintenance of international peace and security. On the contrary, one of the objects of international Communism is to foment insecurity in non-Communist states, while the aggressive foreign policy of the Soviet Union threatens the maintenance of peace in many quarters of the world. This contradiction between the purposes and principles of the United Nations and the policies of its Communist members runs like a deep fissure through the Organization.

"In this situation, the tactics of the Soviet Delegation and its satellite delegations have

been based on a bold attempt to pin the blame on others for the tension they have themselves created. By the simple expedient of repeating over and over again that the Western democracies are 'warmongers', these delegations hope to divert attention from the series of aggressive moves which have characterized Soviet foreign policy since 1945. A further stratagem consists in the introduction of high-sounding resolutions containing the most unexceptionable sentiments of a peace-loving kind which on closer inspection are found to mask the stubborn intention of the Soviet Government not to budge an inch in the direction of practical compromise.

"These devices have created little or no impression within the United Nations where delegations are all too familiar with this pattern of propaganda diplomacy. Instead, they have served the purpose of disillusioning those delegations which still clung to the hope that the Communists were genuinely interested in international co-operation. The Soviet Delegation, however, may have less interest in the fate of their proposals in the General Assembly than in posing before the wider public outside as the defenders of peace.

STRIKING EXAMPLE

"The most striking example of these tactics is to be found in the major propaganda debate which each year is introduced into the General Assembly by the Delegation of the U.S.S.R. In 1949, this debate was inaugurated by a resolution denouncing the Governments of the United Kingdom and the United States for attempting to prepare a new war and at the same time proposing that these Governments should give their assent to ill-defined and equivocal proposals for disarmament and for the conclusion of a Five Power treaty. The representatives of the democratic countries replied that if indeed there were danger of war, the source of this danger lay in the disruptive policy and in the aggressive activities of the Government of the U.S.S.R. They embodied these views in an alternative resolution which was adopted by an impressively large majority. The debate was a manifestation of the high degree of unanimity among the non-Communist states on the principles which underlie a free society and on the necessity of defending these principles. It cannot be said, however, that the immense outlay of time and energy required to meet and offset the Communist propaganda attack in this debate made any contribution towards the purposes for which the United Nations was founded.

"Similar attacks were made by the Communist delegations in debates on almost every other subject on the agenda. The discussions on disarmament and on the control of atomic energy resulted in little progress because, in both cases, the Communist delegations were able to distort the debate into an exchange of mutual recriminations, thus avoiding serious

consideration of practical measures. Similar methods were used in every organ of the United Nations on which a Communist delegation sits. It is, therefore, to the very considerable credit of the United Nations that ways and means have been found of achieving results in a number of fields in spite of these efforts to reduce its effectiveness.

"Of course, it should not be assumed that without Communist obstruction all would have been plain sailing in the United Nations. Quite apart from the complications introduced by the attitude of the Communist delegations, the Organization faces formidable problems. It must reconcile national sovereignty with the needs of a world community; it must balance the realities of political power with the exigencies of a Charter based on the nominal equality of all member states; it must adapt its procedure to avoid waste of time. These and many other complex questions would in any case face the Organization. The Canadian Government since the foundation of the United Nations has taken the attitude that the Organization should be capable of growth and that its constitution should be susceptible of adjustment in the light of experience. Such a developing process would be directed at attaining a really effective system of collective security. What is disturbing in the present situation is that the democratic majority and the Communist minority within the United Nations are not even moving together in this same general direction.

"In default of any immediate prospect of attaining security on a universal basis the members of the United Nations which are most interested in collective security and have most to gain from it have sought within the framework of the Organization to provide means for their mutual defence. The most important example of this development was the signature

of the North Atlantic Treaty in the spring of 1949. In the proceedings of the United Nations during that year, the delegations from Communist-controlled states added the fact that the North Atlantic Treaty had been signed to the many other accusations which they levelled against the nations of the free world. They declared that the Treaty ran counter to the United Nations Charter. The states which had signed the Treaty found little difficulty in demonstrating that the agreement amongst them was fully consistent with the Charter. In the political charge directed at its signatories, the Communist states ignored their own responsibility for the circumstances in which the Governments which signed the Treaty were driven to enter into this defensive engagement. The references to the Treaty in the United Nations had the effect of confirming the majority of members in their belief that the Treaty increased the prospects of security and prosperity in an important area of the world. The effort, resulting in failure which it is hoped will be temporary, to attain a universal system of security could not be held to preclude a more limited attempt to defend peace and encourage political and economic stability by the Governments signatories to the North Atlantic Treaty.

"In his opening statement at the Fourth Session of the General Assembly of the United Nations, the Secretary of State for External Affairs said that it was necessary to make a careful reappraisal of the policies, activities and procedures of the United Nations, and in doing so to ask the question what in existing circumstances it was reasonable to expect the United Nations to accomplish. 'So far as the Canadian Government is concerned,' he said, 'we have tried to make practicability the touchstone of our attitude towards the United Nations'."

RETAIL SALES UP 9 PER CENT: Showing the largest gain in 10 months, Canada's retail trade rose nine per cent in February over the corresponding month last year. The rise in the month was due mainly to sharply increased sales of motor vehicles, and to a lesser extent to gains in sales of garages and filling stations, and coal and wood dealers.

The overall advance in retail trade in the month compares with a rise of two per cent in January, and an average gain of 5.8 per cent for the full year 1949. In the first two months of this year, sales moved up 5.2 per cent. Generally, changes in sales volume in the different regions varied little from the overall gain.

Motor vehicle dealer sales rose 102 per cent in the month, reflecting the very high sales of new passenger cars which accompanied the introduction of new models in the first two months of this year when unit sales numbered 44,119 compared with 14,252 in the same two months last year.

Consumer commitments for automotive purchases have probably caused some moderation in sales of other types of consumer goods, although much of the volume reported for that trade represents deferred obligations. The decrease in lumber and building material and hardware -- eight per cent and nine per cent -- may be related to a similar decrease in construction contracts let in January.

ADVISORY COMMITTEE ON INVESTMENT: The Minister of Finance, Mr. Abbott, announced on April 20 the establishment of an Advisory Committee on Private Overseas Investment under the Chairmanship of Mr. Gordon S. Ball, General Manager of the Bank of Montreal. Mr. Abbott stated that its establishment was the result of a recommendation made at the close of the Tripartite Discussions held in Washington last September. (See issue of April 28 for complete details).

THE WEEK IN PARLIAMENT

PIPE LINE BILL PASSED: One of the first actions of the House of Commons, upon its return on April 17 after adjournment on April 5, was to accord second reading to the Bill to incorporate the Alberta National Gas Company, a measure which previously had held the House through many hours of debate. Two votes were required before the Bill was referred to Committee - first a vote on the technicality that the vote be now put, which carried 100 to 28, and then the main motion, carried by 101 to 29. Opponents of the Bill sought to ensure an all Canadian route to the coast.

FLAG COMMITTEE: The House of Commons, on April 17, approved motions for the consideration of the appointments of special committees to choose a distinctive Canadian flag and to report upon the creation of an entirely Canadian system of military and civilian medals and decorations for Canadians.

The first resolution, moved by J.T. Richard, Ottawa, read:

"That, in the opinion of this House, consideration should be given to the appointment of a special committee to report upon the choice of a distinctive Canadian flag."

The second, moved by Mr. Bona Arsenault, Bonaventure, read:

"That in the opinion of this House consideration should be given to the advisability of setting up a special committee of the House to consider and report upon the creation of an entirely Canadian system of military and civilian medals and decorations to be awarded to Canadians for services beyond the call of duty and for other meritorious services, in time of war, as well as in time of peace, and also for services rendered to Canada by men or women of nationalities other than Canadian, as a means of promoting good will and understanding between Canada and the other countries of the world."

URANIUM ORE PRICE GUARANTEE: The Minister of Trade and Commerce, Mr. Howe, in the House of Commons on April 17, announced an extension to March 31, 1958 of a guaranteed price for uranium ore. He said, in part:

"On March 16, 1948, I announced to the House

the policies which had been established in connection with the purchase of uranium in ores and concentrates. These policies involved the establishment of a minimum price which was guaranteed for five years from March 31, 1948. With a view to encouraging further prospecting for radioactive minerals, I announced on December 20, 1948, that the period of the guarantee had been extended by two years, that is, until March 31, 1955. In recent weeks the Advisory Mining Committee on Radioactive Minerals has been giving consideration to a possible further extension of the guarantee period. The Committee has recommended that the period of the guarantee be extended to March 31, 1958, and the Government has concurred in that recommendation. It is hoped that this further extension will provide an additional incentive to the search for radioactive ores...."

(A grade price for uranium running as high as \$6 a pound for uranium oxides as compared with the present price of \$2.75 was announced by W.J. Bennett, President of the Eldorado Mining and Refining, Ltd., on April 18.)

ATLANTIC COUNCIL FOR PEACE: The following question and answer were made in the House of Commons on April 17 with regard to an Atlantic Council For Peace, by the C.C.F. Leader, Mr. Coldwell, and the Secretary of State for External Affairs, Mr. Pearson:

Mr. Coldwell: I should like to direct a question to the Secretary of State for External Affairs. Has the Government received from the Premier or Government of France a proposal suggesting the formation of an Atlantic High Council for Peace? If so, can the Minister inform the House as to the reaction of the Government of Canada to the suggestion?

Mr. Pearson: No, the Government has received no such proposal, but I have noticed references to it in the press. Until we receive some official information concerning it I do not think it would be wise for me to comment thereon.

Mr. Coldwell: When the Minister gets that, will he make a statement?

Mr. Pearson: I will take that into consideration.

TRANSIT SYSTEMS: Patronage of Canadian transit systems was well maintained during the year 1949, a minor decline in urban traffic being more than offset by an increase in inter-urban passengers. The total number of passengers on both services carried by electric car, motor and trolley buses rose to a record 1,619,804,000 compared with 1,613,789,000 for

the same systems in 1948 and 1,598,000,000 in 1947.

REFRESHER FLYING COURSES: Refresher flying courses for air specialist officers of the Active and Retired Lists of the Royal Canadian Navy (Reserve) will be held this summer.

PRODUCTION

Canadian production of sawn lumber was lower in January than in the corresponding month last year, all provinces sharing in the decrease except New Brunswick where the advance was nine per cent.

Gross value of products turned out by manufacturers of printing and writing inks reached an all-time high figure of \$8,288,000 in 1948, an increase of 18 per cent over the previous record of \$7,022,000 in 1947.

Stocks of Canadian wheat in store or in transit in North America at midnight on March 30 amounted to 136,705,600 bushels as compared with 139,134,400 a week earlier, and 130,737,500 on the corresponding date last year.

The March output of creamery butter amounted to 12,445,000 pounds as compared with 12,166,000 in March last year, bringing the total for the first three months of the year to 30,806,000 pounds from 30,401,000.

Production of margarine in March rose to 10,951,000 pounds from 8,712,000 in the preceding month and 7,349,000 in the corresponding month last year. This raised the cumulative total for the first three months of this year to 27,661,000 pounds as compared with 11,733,000 in the similar period of 1949.

Stocks of creamery butter on April 1 amounted to 27,918,000 pounds as compared with 36,452,000 on March 1 and 12,724,000 on the corresponding date last year.

April 1 stocks of eggs, shell and frozen, amounted to 380,000 cases as compared with 284,000 on March 1 and 541,000 on April 1 last year. Holdings of poultry meat decreased to 17,216,000 pounds from 21,315,000 on March 1.

Shipments of primary shapes by Canadian steel mills, exclusive of producers' interchange, totalled 211,400 net tons in January compared with 234,300 in December.

Stocks of meat held by packers, wholesale butchers and cold storage warehouses on April 1 amounted to 66,253,000 pounds as compared with 57,455,000 on March 1 and 78,722,000 on the corresponding date last year.

Production of processed cheese in March amounted to 3,968,000 pounds, an increase of 31 per cent over the 3,019,000 pounds produced in February, and 22 per cent above the 3,251,000 pounds recorded for March last year.

Production of pig iron and steel moved to lower levels in February. The month's output of pig iron decreased to 157,200 net tons from 190,400 in the preceding month and 172,700 in February last year.

Gross selling value of products manufactured by the iron castings industry of Canada in 1948 advanced 21 per cent over the preceding year, amounting to \$123,739,000 as compared with \$102,516,000.

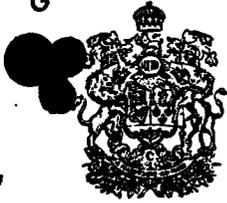
THE PROVINCES

Ontario's Minister of Agriculture, Hon. Thomas L. Kennedy, predicted in an address before the Forest City Kiwanis Club in London, Ontario, that Ontario's present population will double and that some of today's young people will witness it. He said Ontario's growth was assured by the fact that of 1,152 new factories established in Canada last year, 572 located in Ontario.

Premier Angus L. Macdonald of Nova Scotia brought down Nova Scotia's 1950 Budget on April 17, forecasting the first deficit in more than a decade. He predicted a deficit of \$1,835,297 for the 16 months ending March, 1951.

The Ontario Department of Health, the provincial Governments largest purchaser of coal, is prepared to buy 15,000 to 20,000 tons of Alberta coal for use in Ontario mental hospitals, thus effecting a substantial saving of U.S. dollars, it was announced at Toronto after tests of Alberta coal had proved successful.

TORONTO-NEW YORK IN 1 HOUR: The Avro Canada Jetliner, America's first jet transport, flew its first passengers on April 18 from Toronto to New York in about half the time taken by scheduled airliners flying the same 359 mile route. The Jetliner left Malton Airport at 9.30.04 a.m. and arrived at New York International Airport at 10.30 a.m. less than one hour later. Time taken by present-day piston-driven airliners is 1 hour and 50 minutes.



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WEEK'S EVENTS IN REVIEW

INVESTMENT OUTLOOK-1950: Private and public investment outlay for new construction and for new machinery and equipment in Canada is likely to be five per cent higher this year than in 1949, the Minister of Trade and Commerce, Mr. Howe, announced in a report tabled in the House of Commons on April 21.

In tabling in Parliament his report entitled, "Private and Public Investment in Canada - Outlook 1950", Mr. Howe indicates that public and private capital expenditures will probably reach a new high of \$3.6 billion in 1950, compared with \$3.4 billion last year.

New construction expenditures of \$2.3 billion will be 12 per cent higher than last year and will form the larger portion of the total programme. Outlay on machinery and equipment, on the other hand, is estimated at about \$1.3 billion or 5 per cent below 1949. Assuming little change in prices, percentage changes in physical volume should about correspond with those in dollar value.

Private investment, covering expenditures on business enterprises, private institutions and housing, is expected to reach \$2.5 billion, which is about the same as last year. Public outlay on capital goods is estimated at \$1.1 billion, an increase of 19 per cent over 1949. About half this amount will be made directly by federal, provincial and municipal governments and the balance is for government enterprises, institutions and housing.

Capital expenditures in 1950 for most of the main categories are expected to be above last year. Exceptions include agriculture, forestry and manufacturing, for which the estimated total is \$861 million, down 7 per cent. Even among these three groups, however, outlay is continuing at a very high level in spite of uncertain overseas markets for food-stuffs and some manufactured goods.

The largest capital expenditure gains over last year are in utilities and in the commercial, merchandising and service groups, particularly institutional services. The utilities group total is estimated at \$703 million, up 10 per cent.

Direct government expenditures also show an increase, to \$553 million, up 21 per cent.

Housing, estimated at \$785 million, is expected to be about the same as last year.

A second report, "Supply of Building Materials in Canada - Outlook 1950", indicates nearly all building supplies will be available in sufficient quantities to meet the demand. Certain building materials such as cement, clay, and gypsum products are still in short supply and are expected to remain so during most of the year.

Primary iron and steel construction items are expected to be in easier supply than in 1949.

The domestic supply of lumber should be about the same as last year although better

ADVISORY COMMITTEE ON PRIVATE OVERSEAS INVESTMENT

MR. ABBOTT'S STATEMENT: The Minister of Finance, Mr. Abbott, announced on April 20 the establishment of an Advisory Committee on Private Overseas Investment under the Chairmanship of Mr. Gordon R. Ball, General Manager of the Bank of Montreal. In addition to the Chairman, the Committee will consist of the following representatives of Canadian business and finance:

Mr. Prentice Bloedel, President and Treasurer, Bloedel, Stewart & Welch Ltd., Vancouver, B.C.

Mr. George W. Bourke, B.A., F.I.A. F.A.S., F.A.I.A., President, Sun Life Assurance Co. of Canada, Montreal, P.Q.

Mr. Charles J. Burchell, K.C., Bruchell, Smith, Parker & Fogo, Barristers, Halifax, N.S.

Mr. R.G. Cavell, Vice-President and Managing Director, Phillips Electrical Works, Ltd., Toronto, Ont.

Mr. C.E. Gravel, Treasurer and Director, The Canada Linseed Oil Mills Ltd., and President, Banque Canadienne Nationale, Montreal, P.Q.

Mr. J.D. Johnson, Chairman of the Board, Canada Cement Co. Ltd., Montreal, P.Q.

Mr. James Y. Murdoch, O.B.E., K.C., LL.D., President, Noranda Mines, Ltd., Toronto, Ont.

Mr. R.E. Powell, President, Aluminum Co. of Canada Ltd., Montreal, P.Q.

Mr. K.M. Pringle, President, The Dominion Securities Corp. Ltd., Toronto, Ont.

Mr. Rhys M. Sale, President, Ford Motor Co. of Canada, Ltd., Windsor, Ont.

In announcing the new Committee, Mr. Abbott stated that its establishment was the result of a recommendation made at the close of the Tripartite Discussions held in Washington last September. At that time representatives of the United States, the United Kingdom and Canada, in examining the trade and financial relations between the sterling and dollar areas, reached the conclusion that a freer flow of productive investment from North America to overseas

countries is one of the appropriate ways of dealing with the sterling-dollar disequilibrium. The three Governments agreed to explore every aspect of this constructive approach to the problem.

"The Canadian Government believes", said Mr. Abbott, "that if and to the extent that private Canadian funds can find suitable outlets for productive investment in overseas countries, a contribution will thereby be made to achieving a better balance in Canada's trade with both the sterling and the dollar countries." For this reason, the Government is seeking the advice and assistance of a Committee of private business and financial men who will be able to bring to bear on the problem a wealth of successful experience and sound judgment,

Mr. Abbott said that "Canadians know from their own experience that investment of outside capital brings with it skills and techniques which facilitate a more rapid development of our own natural wealth to the mutual advantage of ourselves and of those who make the investment."

It is believed that the Committee will, in the first instance, devote its attention primarily to a study of the obstacles, whether at home or abroad, which now impede the free flow of investment from Canada to overseas countries and of the steps that might be taken to eliminate or minimize these obstacles.

Mr. Abbott recalled that, following the Washington discussions, the United States Government referred the United States aspects of the general problem for investigation and study to the President's Committee for Financing Foreign Trade, a Committee of leading American industrialists and bankers under the Chairmanship of Mr. Winthrop W. Aldrich, President of the Chase National Bank. It is believed that in the course of their work the President's Committee and the Canadian Committee may wish to establish contact with a view to co-operation on any common problems which may arise.

* * * * *

WAR MEDALS DISTRIBUTION: The long and involved task of distributing more than 2,000,000 war medals and campaign stars to veterans of the Second World War has been almost completed, and only 4,000 application cards of 400,000 received have yet to be dealt with, authorities said.

To date a total of 1,934,930 medals and clasps have been despatched to 386,332 individuals, including legal beneficiaries of deceased veterans. Some 6,000 parcels have been returned as undeliverable, requiring

further search for new addresses.

Distribution of medals to next-of-kin of deceased veterans of the wartime Canadian Army (Active) has been fully completed, but some 10,000 decorations have yet to be mailed to relatives of Army men who died since the war and to beneficiaries of similarly deceased Navy and RCAF personnel.

Remaining applications are being dealt with as quickly as possible, the main holdup being difficulty in identifying claims and checking particulars.

UN INTERNE PROGRAMME: The Department of External Affairs announced on April 21 that the United Nations Student Interne Programme for the year 1950 would be held jointly at Geneva and at Lake Success. The Geneva programme is from June 26 to August 18, and the Lake Success programme from July 10 to September 1.

The purpose of this programme is to provide students interested in the field of international affairs with a working study of the organization of the United Nations and its Secretariat. Internes are assigned to posts in almost all sections of the Secretariat.

It is expected that one interne will be selected from Canada. Internships are open to graduate students or students in the final year of a degree course. They carry a value of \$300.00, equivalent to a payment of \$37.50 per week for eight weeks. Candidates must be prepared to meet all travelling expenses, whether to New York or Geneva, out of their own resources.

Details of the programme can be obtained from university registrars or from the Information Division, Department of External Affairs, Ottawa. Applications should be addressed to the Chairman, Canadian Interne Selection Committee, c/o the United Nations Association in Canada, 163 Laurier Avenue West, Ottawa, before May 8, 1950. The United Nations Interne Selection Board will review the applications submitted by all countries and will make the appointments soon after May 15.

* * * *

"ONTARIO" IN PACIFIC EXERCISES: The Canadian cruiser HMCS Ontario during its visit to the Hawaiian Island area between April 25 and May 9 will join a task group of U.S. Pacific fleet ships engaged in exercises while enroute to Pearl Harbor, Naval Headquarters announced on April 21. A simultaneous announcement was made in Washington.

The 8,000-ton cruiser, under the command of Capt. Hugh F. Pullen, R.C.N., of Oakville, Ont., will arrive in Pearl Harbor April 25 and will remain in port until April 29 when she will get under way to rendezvous with the task group, which is scheduled to arrive in Pearl Harbor May 9.

The Canadian cruiser left Esquimalt, B.C., April 18 and will return May 17. In addition to her normal crew of 500 officers and men, the Ontario has 200 New Entry seamen on board for training.

* * * *

DIEPPE COMMEMORATIVE PLAQUE: Canadian soldiers killed at Dieppe, or who later died of wounds received in the historic assault on the channel port, are to be honoured by a commemorative plaque to be erected in the Cathedral there.

Their names -- more than 900 of them -- are to be engraved on the memorial.

Together with other monuments already erected, the plaque will serve to keep alive the memory of men who, for eight terrible hours on August 19, 1942, fought one of the bloodiest and costliest battles of the war. Other memorials include a monument on Canadian Square on the beach, the Avenue of the Canadians, and Canadian Crossroads -- farthest point of the Canuck penetration. Even the city's coat of arms has been changed to include a background of maple leaves and a number of memorials to individual regiments have been erected.

* * * *

MINISTER OF LUXEMBOURG: The Department of External Affairs announced that on April 24 Mr. Hugues Le Gallais presented to His Excellency the Governor General at Government House his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Luxembourg to Canada.

Mr. Brooke Claxton, acting for the Secretary of State for External Affairs, was present. Mr. Howard Measures, Chief of Protocol, Department of External Affairs, presented Mr. Hugues Le Gallais to His Excellency the Governor General.

Mr. Le Gallais was born in 1896, is married and has one son. He was educated at the University of Liege, Belgium. From 1919 to 1936, Mr. Le Gallais was representative of the Luxembourg Steel Export Corporation in Paris, London, Saarbrücken, Tokyo and Bombay, and from 1937 to 1939 was Chief of Rail Export Division of that Corporation in Luxembourg. He was appointed Chamberlain to the Grand Duchess of Luxembourg in 1939.

Mr. Le Gallais became Minister of Luxembourg to the United States in November, 1940. He was a member of the Luxembourg Delegation to the United Nations Conference on International Organization at San Francisco in 1945; was Delegate to the United Nations General Assembly in 1946 and 1947; and was Alternate Representative on the United Nations Interim Committee of the General Assembly, 1948.

Mr. Le Gallais continues to be Minister of Luxembourg to the United States and will hold the post of Minister to Canada concurrently. He will reside in Washington.

* * * *

AGREEMENT WITH FRANCE: The Department of External Affairs announced on April 24 that, as a result of an agreement just concluded between Canada and France, on and after May 1, 1950, Canadian citizens who are bona fide non-immigrants and who are in possession of valid national passports will be exempted from the necessity of obtaining French visas when they visit France or Algeria for periods each not exceeding three consecutive months or Tunisia for periods each not exceeding two consecutive months.

French citizens who are bona fide non-immigrants coming to Canada and who are in

possession of valid national passports, will receive from the Canadian authorities in France visas, free of charge, valid for an unlimited number of entries into Canada during a period of twelve months.

It is provided in the agreement that its provisions do not affect the laws and regulations regarding immigration, temporary or permanent residence and employment or occupation of foreigners in force in Canada and in France.

* * * *

TEACHERS' SALARIES INCREASE: Annual average salary rates for teachers in the publicly-controlled schools of eight Provinces -- Quebec excepted -- showed an average increase of \$243 between 1947 and 1948, bringing the cumulative average rise since 1939 to \$835, according to the annual report on teachers' salaries and qualifications by the Bureau of Statistics. About 53,300 teachers were included in the 1948 record, of whom 39,200 were women and 14,100 were men.

Salary rates for all publicly-controlled schools averaged \$1,689 as compared with \$1,446 in 1947, and \$854 in 1949. Teachers in city schools had the highest average of \$2,324 as compared with \$2,120 in 1947 and \$1,613 in 1939, while teachers in one-room rural schools had the lowest average at \$1,383 against \$1,207 in 1947, and \$607 in 1939.

British Columbia had the highest average salary in 1948 for teachers in all publicly-controlled schools at \$2,249 (\$2,042 in 1947), followed by Alberta with \$1,896 (\$1,546), Ontario \$1,797 (\$1,514), Nova Scotia \$1,447 (\$1,241), Manitoba \$1,418 (\$1,304), Saskatchewan \$1,404 (\$1,265), New Brunswick \$1,185 (\$977), and Prince Edward Island \$1,011 (\$816).

The total number of teachers has been increasing since 1944, in keeping with enrolments. In that year there were 49,022 teachers in the eight Provinces. This had risen 11 per cent to 53,572 in 1948. It is estimated that the total may reach 65,000 by 1953 and that by 1960 the total for these Provinces plus Quebec may be 118,000, an increase of 58 per cent over 1944. So far the increase in staff has been least in Prince Edward Island, Saskatchewan and Alberta, the greatest in British Columbia where there has been a rise of 25 per cent in four years.

In 1944 and 1945 the proportion of men teaching in the public schools was at the low point of 20 per cent. Since then there has been a steady advance to 27 per cent in 1948, which is not far from the high level of 30 per cent in 1940. This trend is most marked in Saskatchewan where the percentage of men has risen by 10 since 1944, and least marked in Nova Scotia and New Brunswick where the increase was four per cent.

GRAIN STOCKS ARE LOWER: Total stocks of Canadian wheat, oats, barley, rye and flax were all lower at the end of March than on the corresponding date last year, according to the Bureau of Statistics.

Stocks of wheat at the end of March totalled 250,100,000 bushels as compared with 262,500,000 at the same time in 1949. The estimated amount held on Canadian farms at March 31 this year was 11,700,000 bushels. Of the 138,300,000 bushels in commercial positions, 58,800,000 bushels were held in country elevators, interior private and mill elevators and interior terminal elevators. A total of 47,400,000 bushels was in store at Fort William, while 5,200,000 bushels were held in Vancouver-New Westminster elevators.

The total stocks of oats on hand at the end of March this year amounted to 139,000,000 bushels, of which 124,800,000 bushels were in farmers' hands. At March 31, 1949 total stocks were 168,700,000 bushels with 156,700,000 held on farms. Total barley stocks this year were 66,100,000 bushels as compared with 79,300,000 last year. Stocks in farmers' hands were 46,300,000 bushels, considerably below last year's level of 63,100,000 bushels.

Rye stocks at March 31 were estimated at 10,400,000 bushels, almost 4,000,000 bushels of which were in farmers' hands. Last year at the same date, 16,600,000 bushels were on hand, with 7,700,000 bushels on farms. The quantity of flax in store this year was 6,800,000 bushels, with only 600,000 bushels in farmers' hands. Last year total stocks were 14,300,000 bushels, and farmers had 3,400,000 bushels in store on their farms.

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SEA-TRAINING PROGRAMME: A comprehensive sea training programme for citizen-sailors of the Royal Canadian Navy (Reserve) will be carried out this summer on both coasts and in the Great Lakes, Naval Headquarters announced on April 26.

With at least six ships allocated specifically for training purposes, an ambitious schedule of cruises and exercises has been drawn up for the approximately 2,500 Reserves and Naval Cadets who will train afloat during the summer months. The programme starts early in May and continues until the end of September.

In addition to their training at sea, instruction will be given Reserves and Cadets in RCN technical schools and training centres at Halifax and Esquimalt. Courses are available in communications, gunnery, torpedo-anti-submarine, engineering, aircraft maintenance, ordnance, medicine, supply and other subjects.

This instruction will enable Reserve men to qualify for the non-substantive ratings necessary for advancement in their respective branches.

SIX PROVINCES SIGN TRANS-CANADA HIGHWAY PACTS

MAY COST \$300,000,000: The federal Government, on April 24, signed agreements with six provincial Governments for the construction of the Trans-Canada Highway, the largest joint construction project ever undertaken by federal and provincial authorities, estimated ultimately to cost \$300,000,000.

The road at completion will be 5,100 miles in length. The federal contribution is to be up to \$150,000,000, or one half of the estimated cost. The project will be under the direction of the Department of Resources and Development.

Contracts were signed on April 24 with representatives of Ontario, Manitoba, British Columbia, Prince Edward Island, Saskatchewan and Alberta. Of the Provinces which did not sign agreements on April 24, Nova Scotia, New Brunswick and Newfoundland are expected to sign at an early date, when minor, technical difficulties are ironed out.

A statement by the Department contained the routes of the proposed Highway through the Provinces which have signed the agreement. As incorporated in the agreement the Ontario section of the Trans-Canada Highway will commence at Hawkesbury, run through Ottawa, cut south to Carleton Place, skirt Perth and follow No. 7 Highway through Peterborough and Lindsay, and from there strike north on No. 12 to Orillia, on to Waubauskene, to Parry Sound, to Sudbury, Chapleau, pick up No. 17 Highway through Nipigon, Port Arthur and Kenora to the Manitoba boundary.

The Minister of Resources and Development, Mr. Winters, made the following statement in the House of Commons after the signing of the agreements:

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DELEGATES TO GENEVA CONFERENCE: The Minister of Labour, Mr. Mitchell, on April 24, announced the names of Canada's delegates to the Preliminary Conference on Migration of the International Labour Organization, to be held in Geneva during the two weeks beginning April 25.

The delegation is headed by A.F. Macdonald, Member of Parliament for Edmonton East and Chairman of the Industrial Committee of the House of Commons.

Alternate delegates are O. Cormier of the Department of Citizenship and Immigration, Ottawa, and S.H. MacLaren, Executive Director of the Unemployment Insurance Commission, Ottawa.

N.F.H. Berlis, of the Canadian Permanent Delegation to the United Nations, Geneva, will act as Adviser to the Delegation.

The agenda of the Conference includes an exchange of views on the present position as regards migration and the factors restricting its development, the demand for manpower from countries in a position to absorb immigrants

"I believe Honourable Members will be interested to know that the federal Government this morning entered into agreements with six provincial Governments for the construction, under the terms of the Trans-Canada Highway Act passed by Parliament last session, of the links of the Trans-Canada through their respective Provinces. Contracts were signed with representatives of Ontario, Manitoba, British Columbia, P.E.I., Saskatchewan and Alberta. The Provinces with which an agreement was not signed were Quebec, Nova Scotia, New Brunswick and Newfoundland.

"Honourable Members will recall that when the Bill was being considered by Parliament last session I informed the House of the Government's view that the project would not be national in scope unless all Provinces entered into the agreement, and that unless it were national in character the federal Government would not be justified in participating.

"However, in view of the fact that those Provinces in which no such East-West highway exists have all signed the agreement, and having regard also to the fact that the implementation of the agreement with the six Provinces will result in a hard-surfaced road from East to West across Canada, thereby in substance achieving the aim of the Act, it is the opinion of the Government that the people of Canada generally would approve of having the project proceed in the six Provinces with respect to which agreements have been signed. I am convinced, moreover, that it is only a matter of time until the remaining Provinces will participate in the project...."

and the manpower in Europe available for emigration.

The Conference will also discuss measures necessary to organize migration on the international and national levels and the relation of migration to economic development.

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LABOUR INCOME DOWN: Estimated total of salaries and wages and supplementary labour income in January was \$620,000,000, about three per cent under the December figure of \$642,000,000, but two per cent above the January 1949 estimate of \$607,000,000.

Labour income in manufacturing rose to \$213,000,000 from \$211,000,000 a year earlier; in utilities, transportation, communications, storage and trade to \$166,000,000 from \$159,000,000; in finance and services to \$140,000,000 from \$133,000,000; and in construction to \$37,000,000 from \$35,000,000.

The total for agriculture, logging, fishing, trapping, and mining was down from \$49,000,000 to \$43,000,000.

EMPLOYMENT SITUATION: During the 1948-49 winter the highest number of unplaced applicants was 265,000. This year the figure of unplaced applicants as at March 30, 1950, was 428,216, the Minister of Labour, Mr. Mitchell, announced on April 25. The Minister said there would most probably be a slight increase during the period ending April 15, after which date he predicted the figures would drop rapidly.

It was not possible to make a fair comparison with last year because the granting of supplementary allowances had caused 56,500 persons to register who had not registered before. They were people living some distance from the Employment Offices, who had not come in to register because they thought no work was available.

The new supplementary benefit programme continued to provide assistance to many of those out of work who had either exhausted their benefits or who had not been previously covered by unemployment insurance. At the beginning of April, 83,500 persons were claiming supplementary unemployment insurance benefits. Of these, 56,500 persons were applying for supplementary benefits who had not been registered with National Employment Service before the programme began on February 28.

Well over 80 per cent of the applications for supplementary benefits came from Quebec and the Maritime provinces, and by far the largest proportion of those applying were casual workers or loggers. This is directly related to the fact that hauling has been completed in the eastern logging industry, and the cold weather has delayed spring hiring in construction, agriculture and transportation which usually provide many job openings for these workers at this time of year. By the time the supplementary benefit programme is terminated on April 15, hiring will be well under way in these industries.

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67 ANIMALS FOR SCOTLAND ZOO: One of the largest requests for specimens of typically Canadian wild animals received in recent years has been made by the Royal Zoological Society of Scotland for its Zoological Park near Edinburgh, it has been announced by the Department of Resources and Development. The request includes nine species and will involve the shipment of upwards of 67 animals.

Among the animals which the Scottish society wishes to obtain are ten wolves, twelve marmots, twenty-four chipmunks, six beavers, two skunks, one wolverine, eight raccoons, four caribou and two cougars.

The Superintendent of the Edinburgh Zoological Park states that many of the Canadian wildlife species represented in the zoo have become depleted and should be renewed as soon as possible.

The wild animals will be donated by the Canadian Government, but all expenses involved in their capture and transfer will be met by the Royal Zoological Society of Scotland.

DR. MCCANN TO WORLD HEALTH ASSEMBLY: The Department of External Affairs announced on April 26 that Dr. J.J. McCann, Minister of National Revenue, will head the Canadian delegation to the Third World Health Assembly, which opens in Geneva on Monday, May 8.

The Assembly will discuss the programme of the World Health Organization for 1951 and will also study the operation of WHO's regional organizations, membership applications from Indonesia and Viet Nam, and the Annual Budget of WHO.

Dr. H.A. Ansley, Director of Health Services of the Department of National Health and Welfare, and Dr. Leonard Miller, Deputy Minister of Health for Newfoundland, will also be members of the delegation. Mr. E.A. Côté of the Office of the Canadian High Commissioner in London and Mr. N.F.H. Berlis of the Canadian Permanent Delegation to the European Office of the United Nations in Geneva, will be advisers to the Delegation.

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STRIKES AND LOCKOUTS: Although the number of work stoppages arising from industrial disputes and the number of workers involved during March, 1950, were higher than in the preceding month, the total time lost was slightly lower, according to a preliminary summary of strikes and lockouts released by the Minister of Labour, Mr. Mitchell.

Three work stoppages accounted for 52 per cent of the total time loss during March. These were boot and shoe factory workers at Richmond, P.Q., plumbers, steamfitters and helpers at Ottawa, and paper box factory workers at Toronto.

Preliminary figures for March, 1950, show 21 strikes and lockouts in existence, involving 5,659 workers with a time loss of 25,118 man-working days, as compared with 15 work stoppages in February, 1950, with 3,764 workers involved and a time loss of 26,300 days. In March, 1949, there were 11 strikes and lockouts, involving 6,601 workers, with a time loss of 136,317 days.

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RECORD IN CHEQUES CASHED: Cheques cashed against individual accounts in March rose to \$7,730,054,000 from \$6,867,531,000 in the corresponding month last year, or by 12.5 per cent, according to an advance statement by the Bureau of Statistics. This raised the cumulative total for the first quarter of the year to \$21,036,876,000 -- highest in the record -- from \$19,772,380,000 in the similar period of 1949, or by 6.4 per cent.

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DEPARTMENT STORE SALES DOWN: Department store sales were down nine per cent during the week ending April 15 as compared with the corresponding week last year, all provinces sharing in the decline except British Columbia where there was an advance of three per cent.

PRODUCTION

The value of inventories held by the manufacturing industries of Canada at the end of February was slightly above the January level but below February last year, according to index numbers compiled by the Bureau of Statistics. The February index, on the base 1947=100, was 128.9 -- highest since August last -- compared with 127.1 in January, and 134.0 in February, 1949.

Value of production of the distilled liquor industry of Canada in 1948 was \$81,445,000, showing an increase of 19 per cent over the preceding year's value of \$68,378,000, according to the Bureau of Statistics.

Gross value of production of the miscellaneous leather products industry in 1948 was \$22,868,000, an increase of four per cent over the preceding year's total of \$21,941,000, but a decline of two per cent from the peak value of \$23,248,000 in 1946.

Production of wire nails in January this year was slightly lower than in the corresponding month last year, the month's output amounting to 7,099 tons as compared with 7,193.

Production of non-ferrous metals and their manufactures in 1948 was valued at \$1,270,323,000, showing an increase of 23.5 per cent over the preceding year's total of \$1,034,581,000.

Production of Canada's leather footwear industry rose to a record value of \$105,339,643 in 1948 as compared with \$104,147,182 in the preceding year. Boots and shoes accounted for \$104,665,327 of the total, miscellaneous products such as gloves, insoles and shoe uppers for \$403,999, and custom repair work for \$270,317.

Gross value of production of the hat and cap industry of Canada in 1948 amounted to \$24,955,000 as compared with \$26,814,000 in the preceding year, a decline of almost seven per cent.

Gross value of products manufactured by the miscellaneous foods industry rose five per cent in 1948, amounting to \$133,284,924 as compared with \$127,439,940 in the preceding year.

THE PROVINCES

British Columbia and Nova Scotia have both renewed their agreements with the federal Government under the National Physical Fitness Act the Minister of National Health and Welfare, Mr. Martin, has announced.

The federal Government will aid Newfoundland in selling her salt codfish to Europe during 1950 over the exchange barriers, it has been announced in St. John's by the Chairman of the Newfoundland Fisheries Board.

The first session of Manitoba's 23rd Legislature prorogued last week-end, after sitting 67 days and passing 108 Bills.

First of a series of tests, a helicopter took off from the Toronto waterfront on April 25 with a load of mail for an airliner waiting at Malton airport. The 18 mile helicopter flight was made in 19 minutes, less than half the time taken by truck-delivery.

A definite policy of fish and game preservation and more realistic law enforcement was announced for Quebec Province this week through R.S. White, Past President of the Quebec Federation of Fish and Game Associations.

To aid in improving and expanding the services of the central laboratory of the Ontario Department of Health, Toronto, the federal Government has allotted \$45,275 from its health grants to buy additional scientific equipment.

CARLOADINGS: Carloadings on Canadian railways during the week ended April 15 rose to 69,042 cars from 63,594 in the preceding week and 64,776 in the corresponding week last year. In the first 15 weeks of this year 1,027,188 cars were loaded compared with 1,080,969 in the same period of 1949.

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CASH SALES DOWN: Continuing the trend of the previous nine months, the proportion of cash business transacted in 16 major retail trades declined to 62.9 per cent of total sales during the last quarter of 1949 for 64.2 per cent in the corresponding period of 1948. Most of this decline was absorbed by a gain in the proportion of instalment sales, which rose to 8.7 per cent of the total from 7.7 per cent a year earlier, charge sales increasing only to 28.4 from 28.1 per cent.

INVESTMENT OUTLOOK-1950 (Cont'd from p. 1)

grades are being exported to the United States and the United Kingdom. This may result in some tightening in the supply of this type of lumber later this year.

Of the 30 building materials covered in the survey, increased production is expected for 21, eight show no change, and only one, cast iron radiators, is likely to be down.

On the basis of present expectations for 1950 the overall capital programme, if realized, will account for about 22 per cent of total national expenditure for goods and services. This continuing high level of investment will be an important supporting influence in the economy.

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NEW SHIPPING REGULATIONS: The Minister of Transport, Mr. Chevrier, announced in the House of Commons on April 21 that new steamship regulations have been drafted to incorporate the recommendations of Mr. Justice Kellock, based on his inquiry into the Steamship "Noronic" fire tragedy at Toronto on September 17 last. The Minister said in part:

"On December 8 last, I indicated to the House that the recommendations of the Commissioner in the investigation of the "Noronic" disaster would be incorporated in the regulations of the Steamship Inspection Service of the Department of Transport. On my instructions, departmental officers immediately applied themselves to this task, and late in December proposed regulations incorporating the recommendations of the Commissioner were circulated to all shipowners to whom the new regulations would apply. Since the beginning of the year the Steamship Inspection Board has had occasion to meet with representatives of the industry, not only in Ottawa but also on the Pacific Coast.

"It is the right of the public to demand reasonable protection when travelling by ship, and after most serious consideration, and on the advice of the Board of Steamship Inspection and other officers of my Department, it was decided to use the International Convention for the Safety of Life at Sea as a guide in the preparation of regulations to implement the Kellock report.

"The Convention to which I refer was held in London in 1948, and was composed of technical experts of almost all the maritime nations of the world, and I am sure no recognized authority would assert that the provisions of this Convention do not afford the protection to which the public is entitled.

"The recommendations made by the Commissioner are to be implemented as far as conditions will permit. On existing ships, the period of time between now and the placing of these ships in commission is too short to allow complete compliance with all the regulations; however, the principal requirements will be implemented

and as many of the others as time will permit. No passenger ship will be allowed to enter into service without complying with the new regulations to the extent which is practicable.

"Several shipowners have already taken steps to implement many of the Commissioner's recommendations. One firm on the Pacific Coast has had fire resisting bulkheads and several other additional items of equipment fitted in one of its ships, and arrangements are being made for similar changes on another of their vessels. An Eastern company operating on the St. Lawrence River and Great Lakes has arranged, before placing four of its ships in commission this summer, to have fire resisting bulkheads, a partial sprinkling system, public address system, fire detection system, fire alarm system, manually supervised patrol system, fitted throughout each of its four ships...."

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The Minister of Agriculture, Mr. Gardiner, announced in the House of Commons on April 26, support prices for creamery butter of 53 cents a pound in the East and 52½ cents a pound in Western Canada.

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ANNUAL REPORT ON COAL: The Bureau of Statistics has released the annual printed report entitled "Coal Statistics of Canada." This publication gives detailed statistics on the production and distribution of coal and coke in Canada, also data on imports, exports, retail sales, employment in coal mines, etc. Statistics are shown for Canada as a whole and for each individual province.

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MR. CLAXTON VISITS U.S.: The Minister of National Defence, Mr. Claxton, returned to Ottawa this week after witnessing United States Army and Air Force demonstrations at Fort Benning, Georgia, and Eglin Field, Florida. He was the personal guest of United States Defence Secretary Louis Johnson and viewed the demonstrations with President Truman.

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PETROLEUM PRODUCTS OUTPUT UP: Canadian production of refined petroleum products increased nine per cent in November and the first 11 months of the year as compared with 1948. Receipts of crude in November were two per cent lower than a year earlier, but rose seven per cent in the 11 months.

The month's output amounted to 8,189,173 barrels as compared with 7,528,067 in November, 1948. During the 11 months ending November, 81,986,051 barrels were produced as against 75,086,794 in the same months of 1948. Receipts of crude in the month totalled 8,431,328 barrels as compared with 8,540,908 a year ago, and in the 11 months amounted to 88,633,583 barrels against 82,867,645.



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WEEK'S EVENTS IN REVIEW

DEVELOPMENT OF NORTH ATLANTIC ALLIANCE:

Development of the North Atlantic Alliance into "something a great deal more basic than simply a military alliance," was forecast by the Secretary of State for External Affairs, Mr. Pearson, in an address before the Montreal Reform Club, on April 29.

All members of the North Atlantic group, he said, on the eve of his departure for the meeting of the North Atlantic Council, in London, are pledged by the Treaty "to broaden the basis of their association, by co-operation in the solution of economic problems."

The Minister spoke, in part, as follows in an analysis of relations existing between the Western world and the USSR, and the underlying causes of present difficulties:

"The central political problem of our time is the relationship between the free Western world and the USSR. This question is under constant public discussion, in the press, on platforms and at unofficial conferences, open and private. You may be sure also that the Government is giving full and continual attention to the problem, anxious on the one hand to support any reasonable move towards a settlement and on the other to avoid any action that serves no other purpose than appeasement."

"At the end of the war we had some reason to believe that our relations with the Russians might develop along normal friendly channels.

We were all heartened by the magnificent achievements of the war-time alliance, and the tremendous co-operative effort from East and West alike which had crushed the Germans led us to believe that we could enjoy equally spectacular but more constructive efforts from peacetime co-operation....

"I think the Russians made their deliberate choice to reject co-operation with the West for a number of reasons. One of them springs from the communist theory upon which their State is based. Their leaders have taught them that the Russian revolution is merely the beginning of a world revolution and that for this reason conflict between the Soviet State and the rest of the world is inevitable. They therefore set their people to work preparing for this conflict. At the same time, I think that they were influenced by expansionist traditions which go far back in the history of Soviet policy. They had a choice to make in 1945 between co-operating with the rest of us in rebuilding the world or alternatively seizing control of as great an area as possible. They made the latter choice. They drew the line of their influence as far away from Moscow as they could manage, and ever since they have been vigorously engaged trying on the one hand to extend that line and on the other hand to shut the rest of us out from behind it. They have been influenced also by a third motive -

MR. J.H. STITT'S APPOINTMENT: The Minister of Labour, Mr. Mitchell, announced on April 27 that he has appointed J.H. Stitt, an Ottawa barrister, an Industrial Inquiry Commission under the Industrial Relations and Disputes Investigation Act to deal with certain matters involving the American Newspaper Guild and The Canadian Press.

The union, which early in April was certified by the Canada Labour Relations Board as bargaining agent of a unit of editorial employees of The Canadian Press, subsequently applied to the Minister for his consent to prosecute The Canadian Press and its General Manager, Gillis Purcell, for a number of alleged offences under the Act. Among the offences alleged to have been committed by the Canadian Press and Mr. Purcell was their failure to commence to bargain collectively with the union, as required by the Act.

Mr. Mitchell stated that the Industrial Relations and Disputes Investigation Act empowers him to take such steps as seem calculated to maintain or secure industrial peace and to promote conditions favourable to settlement of disputes. Accordingly, he said, after consideration of the application for his consent to prosecute, he had decided upon the appointment of an Industrial Inquiry Commission.

The Minister said that Mr. Stitt's first duty will be to endeavour to assist the parties to bargain collectively with one another, as required by the Act. Failing this, Mr. Stitt will investigate and report to the Minister on the matters referred to in the application for consent to prosecute.

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FARM PRICE INDEX: Farm prices of agricultural products in Canada, excluding Newfoundland, advanced slightly in February over January, according to the index numbers compiled by the Bureau of Statistics, but were below the level of February last year. Prices advanced from January to February in all the nine Provinces except Prince Edward Island, but were below those of a year earlier in each Province.

The Bureau's monthly index number for all Canada, on the base 1935-39=100, stood at 242.8 for February as compared with 238.6 for January and 253.1 for February last year. The advance of about four points over January is largely attributable to increased prices for livestock and eggs. Compared with a year earlier, prices were lower in February for nearly all commodities.

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WHOLESALE PRICES UP: Wholesale prices in Canada moved up in March, the general index on the base 1926=100, rising to 159.3 from 158.0 in February. The March level was 1.7 points above March, 1949, and only three-tenths of a point below the peak of 159.6 reached in December, 1948.

Indexes for five of the eight sub-groups moved higher in March as compared with February, while three were lower. Group indexes were as follows, figures for February being in brackets: vegetable products, 145.0 (142.9); animal products, 166.8 (163.4); textile products, 162.4 (162.8); wood products, 191.5 (190.6); iron products, 178.6 (177.2); non-ferrous metals, 137.2 (139.4); non-metallic minerals, 140.0 (139.9); chemical products, 117.4 (117.6).

The wholesale price index of general building materials advanced in March for the sixth consecutive month, rising to 205.1 from 203.5 a month earlier. This level was three-tenths of a point below the March, 1949 figure, and eight-tenths of a point below the peak of 205.9 reached in October, 1948.

In contrast with the price trend for general building materials, the wholesale price index of residential building materials showed a decline in March, dropping to 227.0 from 227.4 in February.

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SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries in February declined from January totals, sales amounting to \$17,600,000 and purchases to \$18,300,000. The purchase balance of \$700,000 in February transactions compares with a sales balance of \$1,900,000 in January.

Total volume of trade for the first two months of the year exceeded the volume for the corresponding months last year, sales and purchases amounting to \$75,800,000 as compared with \$60,400,000. Total transactions during these two months gave rise to a cumulative sales balance of \$1,200,000 in contrast to purchase balances of \$800,000 in 1949 and \$500,000 in 1948.

Sales and purchases with the United States in February were lower than in January and again resulted in a sales balance, sales amounting to \$15,900,000 and purchases to \$15,600,000. Net sales at \$300,000 compare with \$3,500,000 in January.

The volume of trade with the United Kingdom increased in February, sales rising to \$800,000, while purchases remained unchanged at \$2,300,000. As a result, the purchase balance existing in previous months declined to \$1,500,000. Sales and purchases with other countries increased over January, but resulted in the same sales balance of \$400,000 as in January.

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ICAO ASSEMBLY IN MONTREAL: The Fourth Session of the Assembly of the International Civil Aviation Organization will be held in Montreal, Canada, commencing May 30, 1950. Its duration is expected to be about three weeks. The Sixth Session of the ICAO Legal Committee will be held at the same time.

20 P.C. RISE IN VALUE OF EXPORTS TO U.S.

SHIPMENTS TO U.K. ARE DOWN: Featured by a further marked increase in the value of shipments to the United States, the value of Canada's domestic exports to all countries in March rose five per cent over the corresponding month last year, showing the first advance in the total, as compared with a year earlier, since August, the month before currencies were revalued. Lower totals were recorded in shipments to the United Kingdom and most other Commonwealth countries, and to Latin America, but there was a rise in the month in the aggregates to foreign countries in Europe and Asia. As a result of these opposite trends exports to the United States amounted to the unprecedented ratio of over two-thirds of the total.

Exports to all countries in the month were valued at \$228,200,000 as compared with \$199,500,000 in February and \$216,800,000 in the corresponding month last year. In the first quarter of this year the value was \$648,900,000 as compared with \$658,800,000 in the like period of 1949.

DOMESTIC EXPORTS TO U.S.

Domestic exports to the United States were valued at \$154,311,000 in March as compared with \$122,418,000 in March, 1949, a gain of 27 per cent. This compares with an increase of 21 per cent in February, and a gain of 13 per cent in January. The aggregate value of exports to the United States in the first quarter of this year was \$414,008,000 as compared with \$345,150,000 a year earlier, an increase of approximately 20 per cent. Price changes reflecting the premium on United States exchange have contributed to this increase, but its size indicates a substantial rise in the volume of exports.

In trade with the United States, seven of the nine main commodity groups had higher export values in the month, the exceptions being agricultural and vegetable products and miscellaneous commodities. In the first three months of the year, these two groups, as well as iron and products, were also lower in value. Largest gain both in the month and quarter was recorded by the wood, wood products and paper group, but substantial gains were also shown by the animals and animal products, non-ferrous metals and non-metallic minerals group.

Exports to the United Kingdom were again lower in March, being valued at \$30,120,000 as compared with \$39,498,000 in the same month last year, and the first quarter total fell to \$109,101,000 from \$139,435,000 a year earlier. There were declines in March in the exports of commodities in all main groups except non-metallic minerals and chemicals -- two of the smaller groups in value. These two groups, and animals and animal products, were also higher in the quarter.

Exports to the rest of the Commonwealth as a whole were lower both in the month and quarter. The main decreases were in shipments to the Union of South Africa and India. Exports to Australia were slightly higher in the month but lower in the quarter. Shipments to the Union of South Africa in March were valued at \$1,432,000 compared with \$4,896,000 a year earlier, and in the quarter at \$8,286,000 compared with \$12,017,000. The month's shipments to India were valued at \$1,932,000 compared with \$6,495,000, and in the quarter at \$3,509,000 against \$23,989,000. Exports to Australia amounted to \$2,707,000 as against \$2,606,000, and in the quarter, \$7,289,000 as compared with \$7,908,000.

Shipments to the Latin American countries were again reduced in the month, amounting to \$7,706,000 compared with \$9,778,000 a year earlier; exports to most principal markets except Colombia and Venezuela being lower. In the quarter, exports to the group were off to \$21,215,000 from \$26,442,000, Mexico and Venezuela being the principal exceptions to the decline.

TO FOREIGN COUNTRIES

Exports to foreign countries in Europe and other parts of the world moved up slightly in March. Purchases by the European group rose to \$11,051,000 from \$9,205,000, but were down in the three months to \$34,843,000 from \$43,103,000. Shipments to other foreign countries in the month amounted to \$10,152,000 compared with \$8,397,000, and were practically unchanged in the quarter at \$23,947,000. Exports to Belgium and Luxembourg, the Netherlands, Norway, Spain, Israel and Japan were higher in the month and quarter.

The wood and paper products group -- largest of the nine main commodity classifications -- showed a marked increase both in the month and quarter. In March the group total was \$82,300,000 as compared with \$69,700,000, and in the three months, \$222,800,000 compared with \$199,200,000. Most of the gain both in the month and quarter was in the exports of planks and boards and newsprint paper.

Sharpest drop among the main groups was shown by the iron and products section, which fell to \$19,700,000 from \$27,500,000 a year earlier, decreases being shown in most main items except pigs and ingots, and passenger cars and trucks. In the quarter, the group total was off to \$53,400,000 compared with \$74,200,000.

Agricultural and vegetable products as a group declined in March to \$45,300,000 compared with \$47,600,000 last year, main decreases being in wheat, rubber and products. The total for the quarter fell to \$131,400,000 from \$155,600,000.

DEVELOPMENT OF NORTH ATLANTIC ALLIANCE

the fear that co-operation with the West might mean the gradual infiltration of Western ideas and news through to their own people. This would be a development which the Soviet dictatorship could not easily contemplate.

"The political results of this decision by the USSR are all too familiar. They are to be seen on every hand in the great political problems of the post-war period which remain unsettled. They are to be seen in the Soviet Union's attempt to frustrate all common efforts for the restoration of peace and prosperity. It is only with the greatest difficulty, for example, that we have been able to make use of the United Nations, and in any circumstances where the interests of the USSR are involved and where the Russians can make their veto effective, we are not able to make use of the United Nations at all. Similar efforts have been made to forestall the economic revival of Western Europe by aid from this continent. The attempt to organize that aid through United Nations machinery was almost completely defeated. When an alternative plan - the Marshall Plan - was developed by the Government of the United States in a very far-seeing, statesman-like policy, the USSR did its best to prevent that policy having effect. On every political front, therefore, we have to deal not only with the complex problem of the post-war period but also with the deliberate efforts of the Russian communist Government to prevent us from solving these problems.

SOCIAL CONSEQUENCES

"The cultural and social consequences of Soviet policy in foreign affairs since the war are equally dangerous. We have seen the Russians, for example, engaged upon the task of whipping up the ideological war between Communism and Capitalism, one of the most vicious forms of war mongering. If we have any doubt as to the extent to which this policy is deliberate, we have only to read the writings of Soviet leaders themselves. A recent statement of Soviet aims was made, for example, in a special article in PRAVDA by Lavrenti Beria, the head of Russia's vast internal security organization. On the occasion of Stalin's 70th birthday, he wrote as follows:

Stalin has laid down a programme of action for Communists. They must (1) exploit all differences and contradictions in the bourgeois camp; (2) take concrete action to unite the working classes of the economically advanced countries with the national liberation movement in the colonies and dependent nations; (3) complete the struggle for unity of the trade union movement; (4) take active measures to bring together the proletariat and the small peasants; (5) support Soviet rule and disrupt the interventionist machinations of Imperialism against the Soviet Union, bearing in mind that the Soviet Union is the base of revolutionary movement in all countries.

"This is a programme for stirring up trouble in this country and elsewhere in the Western World. It is being carried out in many ways - by the Cominform, by communist parties in all the Western States, and often by secret agents, as we have seen in our own country. The communist parties of the Western States have now been finally unmasked - indeed have unmasked themselves - as frank and avowed adjuncts of the Soviet communist parties, and we have witnessed the strange spectacle of political leaders in Western States announcing publicly that they would never defend their country against the Russians, that on the contrary they would welcome the arrival of Soviet invaders.

"A further social consequence of Soviet policy since the war is that we live in an atmosphere in which facts are continually and systematically distorted and falsified. The leaders of the Russian State feel, for example, that they must continually tell their own people and as many of ours as they can persuade to listen, that the countries of the West are corrupt, semi-feudal societies in which social injustice and inequalities amongst the classes are prevalent. Actually, however, there could be no greater misrepresentation of the facts than this. We know that in all the democracies of the West a general levelling-up process has been going on. To a greater or lesser degree in every Western community the larger inequalities in income and privilege are being removed and systematic efforts are being made to distribute purchasing power as equally as possible in the community; at the same time retaining the economic incentive that lies at the base of our way of life. We do not pretend for a moment that we have achieved or are even trying to achieve a complete equality of economic status - but we are eliminating the extremes of wealth and poverty and we have gone a long way towards creating equality of economic opportunity.

NEW CLASS STRUCTURE

"As far as we can see from information which we get concerning the USSR, exactly the opposite process is taking place there. A new class structure is emerging within the Soviet State. There is a new ruling class in Russia which enjoys privileges which you would not for a moment think of conceding to any of your Members of Parliament or Cabinet Ministers or senior Civil Servants. The Army is a privileged group, and we find that within the Army there is an officer class with a status which we would regard as feudal and old-fashioned. Nowhere are class distinctions so immediately apparent as in conditions of travel. There are for instance four classes on Russian river steamers, and the lowest of these classes, the hard class, has a hardness to which we would not subject even our most humble traveller.

"There are signs also that other forms of discrimination have emerged in the Soviet

Union. There are evidences, for example, of privilege on the basis of race. The great Russians are taking the place of leadership in the Soviet State. It is against the law to be a Zionist in the USSR. In other fields we find the right to higher learning is becoming more and more the privilege of the governing class. It is no longer true that Soviet education is free and compulsory for all. In February, 1947, a number of amendments were made to the Soviet Constitution. Article 121 concerning education decreed that only primary education should be free and compulsory. The grades above that require tuition fees which are relatively high for the average family. Relatively, education in the United Kingdom or Canada is far more democratic today than it is in the USSR.

"It is interesting also to notice the way in which differences in income have gradually appeared and increased. In addition to actual income differences, we must add the perquisites which go with better jobs - automobiles, chauffeurs, good apartments, free vacations, and so on. The Communists claim this is just a phase of Communism, but in fact the new class is becoming self-perpetuating because it can accumulate wealth, property and privileges and pass them on to their children.

LABOUR IN SOVIET STATE

"We are continually being misled also about labour in the Soviet State which is supposed to be a state organized primarily for the workers. No trade unions in Canada would for a moment accept the status which has been assigned to trade unions in the USSR. They have been transformed into an instrument for transmitting to the workers' Government decisions about conditions about work and pay. Piece work payment is now the normal condition in the Soviet Union. What our workers denounce as the 'speed up' in the factories is glorified in the USSR under the name of the Stakhanovite Movement. Piece work and the 'speed up' are labour conditions which we regard as completely out of date.

"Another example of wilful distortion which we hear from Soviet sources is about Colonialism. Anyone who knows anything about the West realizes that a great transformation is taking place in the status of colonial peoples. The colonial empires of the 19th century are rapidly being transformed into free self-governing communities, and a whole new era has been opened in the relationships between industrialized nations and the economically less developed parts of the world. The Communists, however, continue to talk about capitalist Imperialism, at the same time masking behind the Iron Curtain one of the most vicious imperialist regimes that has ever been known in history. To Moscow, freedom in a foreign communist state can never mean freedom from Russian domination.

"Still another aspect of the problems which arise in our cultural relations with the USSR is the cynical use which is made by the leaders of the Soviet Union of well-meaning but often misguided people in other lands as instruments of their propaganda. Very often these people act from highly idealistic motives and accept uncritically the account which the Russians themselves give of conditions in their own country. The closest example we have of this sort of activity is, of course, the campaign which is now being carried on by the Canadian Peace Congress. Many of the members of this movement may be inspired by high motives, but I wonder if they ever stop to think of the full implication of the things which they are led to do. Let us take for example the recent visit to the Soviet Union of the leader of the Canadian Peace Congress, Dr. James Endicott. I have before me two excerpts from Soviet newspapers giving quotations of statements about Canada which Dr. Endicott made in Moscow during March. I will read you these statements.

1. 'Moscow is peace... Across the ocean, in our Canada and America, everything is different. Instead of new apartment houses, aerodromes and military bases are built there. The headlines of the newspapers shout about war. Thousands of dirty booklets praise the future war, war looks out from the paintings of painters and from the films.' (Pioneerskaya Pravda, March 31, 1950)

PRESS CONFERENCE REPORT

2. 'If a Canadian invites friends to his home and if moreover he refers in a positive manner to the Soviet Union, noting, for example, that great care is taken of children in the Soviet Union, then the police have the right to declare that this is 'defence of Communism' and to drive this Canadian out onto the street and seal off his apartment. He will not even be able to complain about these actions by the police in court.' (Report of Press Conference published in all Moscow papers, March 9, 1950)

"A man, who, professing honest motives and high ideals, goes amongst strangers and maligns his country with this kind of falsehood is beneath contempt. In a communist society he would also be beneath the ground.

"The process of misrepresenting and distorting the facts within the Soviet Union is made more efficient by the systematic prevention of personal contacts across the iron curtain. It is virtually impossible for a private citizen of the USSR to leave his country and we know from experience that the Soviet authorities will even separate man and wife and compel divorce rather than let one of their citizens join the other partner of a marriage outside the Soviet Union.

"There are many other examples of this cultural iron curtain - this social savagery. At the last Session of the Assembly of the United Nations a delegate of the United States

gave a documented account of systematic efforts which had been made by Americans both public and private in the post-war period to arrange contacts between Americans and Russians. Suggestions had been made for exchanges of students, for visits to the United States by prominent scientists and artists. Efforts had been made to induce the Red Army Choir or the Russian ballet to visit this continent. None of these efforts bore fruit. The normal methods by which peoples grow to know each other and trust each other by personal contacts are systematically prevented. In the immediate post-war period, we ourselves tried in a small way to co-operate with the USSR by exchanging information about techniques in the North country. We made available some unclassified information about agricultural and other techniques in Canada and received some interesting information in return. But soon after the war, the curtain was rung down in Moscow on our efforts to establish even the minimum contact between civilized states.

"Having made this analysis of the situation we must now ask ourselves what we can do about it. We may at first be tempted to think that we should retaliate in kind. I doubt, however, whether this is the proper approach for us. Ours is a free society and even if we wanted to, we would find it difficult to apply adequate restrictions because they would be contrary to the principles by which we live. I am sure that it is in the interests of our society that we should have only those regulations which are necessary for the security of the State and no more.

CONSTRUCTIVE COURSES

"Since we cannot and will not follow the Russians in their efforts to widen and strengthen the iron curtain, we must look for other more constructive and hopeful courses of action. I do not suggest that any of them will pay immediate dividends, but I am sure there are a number of things which we can do. We can in the first place recall continually to our minds and to our confidence the warm-hearted, lovable, hospitable, courageous Russian people whom we came to know during the war and with whom I am sure we can settle our differences once it is possible to make adequate contacts with them. We must also continue our efforts to resolve the problems that divide the Government of the USSR from the Governments of the free democracies. We must continue these efforts by every possible method of negotiation, conference, public or private discussion, meetings at any level, low, middle or high. In the meantime however, we must refuse to be led astray by empty words of those who talk of peace but who make no other proposal for safeguarding it except to recommend that we unilaterally disarm. We must not be fooled, ever, by any phony peace overtures.

"It is also necessary for us to proceed as rapidly as possible with the development of the North Atlantic Alliance. So far, we have

been primarily concerned with the defensive military arrangements under the Treaty, and it has been right and proper that our first concern should be with our ability to resist aggression. In the long run, however, we shall have to make the Treaty into something a great deal more basic than simply a military alliance. All members of the North Atlantic group are pledged by the Treaty, and especially by Article 2, to broaden the basis of their association, by co-operation in the solution of economic problems. In the long run, our ability to stand fast against the attacks of International Communism will depend on our success in strengthening the economic and social fabric of the free world. I hope that the North Atlantic Treaty will become a powerful instrument for this purpose. I am glad that its members will have the opportunity to consider the growing responsibilities and commitments of the Alliance when the North Atlantic Council meets in London during May...."

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NATIONAL NOTES

The RCAF announced on May 1 that two non-commissioned officers left London, England, on April 27 for Prague to occupy the two posts on the staff of the Air Attaché left vacant by the expulsion of the previous incumbents. The new appointees are Sgt. Ernest Maguss, of Mundore, Alta., and LAC C.L. Rolfe, of Bishop-ton, Que.

The Secretary of State for External Affairs, Mr. Pearson, said at the week-end that he would leave by plane about next week-end to attend the North Atlantic Council meeting in London.

His Excellency the Governor General, Viscount Alexander, will open the Canadian Legion's four-day 25th Annual Convention at Winnipeg on May 24. One thousand veterans are expected to participate.

Integration of Canadian and United States defence production facilities was proposed, along with other co-operative measures, by committees representing the Chambers of Commerce of both countries, meeting at Asheville, N.C.

A general economic survey of Newfoundland, which will give special consideration to world market analysis, has been started.

Seven candidates, two of them women have been nominated to contest federal by-elections in the ridings of Toronto-Broadview and Hamilton West on May 15.

Most areas of Canada went on Daylight Saving time last week-end. The Province of Alberta, however, has a law making continuation of standard time mandatory.

The Minister of Resources and Development, on May 2, commended to all Canadians the objectives of Tourist Service Week, which is being held from May 1 to May 8 under the sponsorship of the Canadian Tourist Association.

Mr. S.J. Chagnon of Montreal, has been appointed Vice-Chairman of the Agricultural Prices Support Board. For the last five years he has been Vice-Chairman of W.H. Perron, Ltd.

PRODUCTION

Production of Canada's chemical and allied products industries in 1948 was the highest attained in any peacetime year, according to final summary figures issued by the Bureau of Statistics. The year's value totalled \$580,000,000 as compared with the preliminary estimate of \$554,000,000 for the year and \$450,000,000 in 1947, a gain of 29 per cent. About one-half of this rise was due to the inclusion for the first time of the vegetable oils industry.

All-Canada output of crude petroleum and natural gasoline in January this year amounted to 1,926,867 barrels as compared with 1,782,856 in the preceding month and 1,356,483 in January, 1949. Two years ago the January output was 777,639 barrels, the successive annual increases being nearly equal.

Production of sulphuric acid in Canada in 1949 amounted to 705,000 tons -- a new peak total -- as compared with 679,000 in the preceding year.

Landings of sea-fish in Canada in March, excluding Newfoundland, amounted to 23,456,000 pounds, a decrease of 1.5 per cent from last year's corresponding total of 23,808,000 pounds. The total landed value in the month -- \$1,142,000 -- was 6.2 per cent below the March, 1949, value of \$1,217,000.

Egg production in Canada this year has so far been running close to the level of 1949. Net production of eggs in March amounted to an estimated 34,813,000 dozen as compared with 34,595,000 in the corresponding month last year.

Milk production in Canada is being maintained at comparatively high levels. The estimated quantity produced in February amounted to 861,244,000 pounds, an increase of 12,000,000 pounds over the same month last year.

The value of production of the Canadian fur goods industry in 1948 reached an all-time record total of \$66,384,085, showing an increase of 15.4 per cent over the 1947 figure of \$57,541,628, and 15 per cent above the previous peak of \$57,737,516 in 1946.

CANADA AND EQUAL PAY FOR WOMEN: Eleven countries have informed the International Labour Office that they would support the adoption of an international convention designed to guarantee equal pay for women. (Austria; Belgium; Chile, Cuba, Czechoslovakia, France, Israel, Mexico, Philippines, Poland and Turkey).

The question of equal remuneration for work of equal value is slated for a first discussion at the ILO's general conference next June at Geneva. Governments made known their position on the equal pay problem in response to an ILO questionnaire which was sent to the Organization's sixty member states.

Nine governments have gone on record in favour of the adoption of a less binding recommendation. (Argentina, Canada, India, Luxembourg, Netherlands, Pakistan, Sweden, Switzerland and Syria). Luxembourg favoured a recommendation and added that it would not oppose a general convention if the Benelux countries and parties to the Brussels Treaty agreed to one. The Netherlands noted that it wishes to await the outcome of the June discussion before deciding finally on the form the regulations should take, but expressed a preference for a recommendation.

LABOUR FORCE 5,108,000: Canada's civilian labour force in March this year totalled 5,108,000 persons, including 101,000 in Newfoundland, as against 4,899,000 in March last year for the nine older provinces only, according to a preliminary summary of results of the quarterly labour force survey by the Bureau of Statistics covering the week ended March 4. Excluding Newfoundland, the civilian labour force was 108,000 greater than in March, 1949.

Of the 5,108,000 in the labour force in March, 4,644,000 were at work, 152,000 had jobs but were not at work because of sickness or other reasons, and 312,000 were without jobs and seeking work.

The quarterly survey is taken by personal interviews of about 30,000 households in over 100 sample areas across the country, and covers persons 14 years of age and over.

RESERVES OF GOLD AND U.S. DOLLARS RISE

INTERNATIONAL ACCOUNTS: Canada's current account surplus with all countries in 1949 amounted to \$180 million, down sharply from \$452 million in 1948 but nearly four times the surplus of \$47 million in 1947, according to the preliminary statement on the Canadian balance of international payments for 1949 released by the Bureau of Statistics. The smaller current surplus last year was due mainly to a reduced export balance on commodity account, but trends were also generally adverse in other current transactions.

Canada's official reserves of gold and United States dollars at the end of 1949 amounted to \$1,117.1 million compared with \$997.8 million a year earlier and \$501.7 million at the end of 1947. Last year's rise of U.S. \$119.3 million was less than the current account surplus as the result of small net outflows of capital leading to the use of reserves in 1949. This contrasts with 1948 when the current account surplus was \$452 million but the official liquid reserves rose \$496 million due to capital movements.

Most of the change in last year's current account surplus occurred in transactions with the United States, Canada's current deficit with that country expanding sharply to \$594 million from \$393 million in 1948. The greatest single factor in this increase was the growth in the value of imports, which rose \$102 million or about five per cent, reaching a level not far below that of the peak year 1947 when prices were lower. The rise in import value over 1948 was due to a combination of net price increases and larger volume, although the volume continued below 1947. At the same time Canadian exports to the United States continued to have an exceptionally high value, with a net increase for the year of \$13 million.

Income payments by Canadian companies to parent companies and other shareholders in the United States were \$55 million greater in 1949.

ERA OF UNPRECEDENTED DEVELOPMENT: Discoveries of oil in Alberta, and of iron and titanium in Labrador have opened for Canada a new era of economic development without precedent, the Prime Minister, Mr. St. Laurent, said in an address at the 50th anniversary of the foundation of the Board of Trade and Chamber of Commerce in Granby, Qué., on April 30. The following is an excerpt from his speech:

"More recent oil discoveries in Alberta can make this country an exporter of this product of which we produced heretofore but a small portion of our requirements.

"Our annual oil imports from the United States have always represented a heavy expenditure, but the day is not far off when our own oil fields will enable us to save mil-

than in 1948, while net receipts from tourist expenditures declined \$48 million due to a sharp rise in the expenditures of Canadian visitors to the United States and only a slight increase in American tourist expenditures in Canada.

While the current deficit with the United States increased, the current account surplus with all overseas countries declined last year to \$774 million from \$845 million in 1948. Current surpluses with the United Kingdom and with the non-sterling overseas countries were both less than in 1948, but the surplus with other sterling area countries was slightly higher.

Transactions with the United Kingdom resulted in a current surplus of \$443 million as against \$486 million the previous year. The reduction of \$43 million was the product of divergent trends in receipts and payments, the former declining slightly and the latter showing a slight rise. The decline in receipts was mainly in such items as shipping receipts and transfers of immigrants' funds, while the principal change in payments was an increase in Canadian imports from the United Kingdom.

With the rest of the sterling area there was a rise in the current account surplus to \$135 million from \$129 million in 1948. This slight gain was due mostly to a larger total of exports, which were maintained by exceptionally high shipments of certain commodities like wheat and railway equipment to India and the Union of South Africa.

Reduced receipts from exports to Continental Europe and lower revenues from freight and shipping services accounted for almost all of a decline from \$230 million in 1948 to \$196 million in the current surplus with other overseas countries. Total current payments to this group of countries as a whole were moderately lower, most of the decline being in imports from countries other than the E.R.P. group.

lions of American dollars each year. This will be of tremendous advantage in enabling us to divert dollars thus saved to other purchases in that country.

"Iron ore discoveries in the Labrador region can make this country before long one of the most important suppliers of this mineral in America...."

FARM INCOME DECLINES: Net income of Canadian farmers from farming operations last year declined for all Canada (excluding Newfoundland) from the record level attained in 1948, but was still substantially above all other years. In contrast with the overall decrease, net income for five provinces was above 1948.

THE WEEK IN PARLIAMENT

BUDGET APPROVED: The House of Commons gave approval in principle to the Government's \$2,400,000,000 Budget on the evening of April 27.

In successive votes of 129 to 43 and 167 to 12, no-confidence motions proposed by the Progressive Conservative and C.C.F. parties were defeated and the main budgetary motion carried without division.

The Progressive Conservative motion would, in part, have had the House express regret that government policies made higher taxes inevitable, included no attempt to reduce expenditure and contained no programme for national development.

The C.C.F. motion would, in part, have had the House express regret that government policies indicated that the Government was prepared to accept the present level of production as adequate for Canadians and thus was placing a limit on services and security of the people.

OUTLAWING OF COMMUNISM: The Government has no present intention of outlawing Communism, it was indicated by the Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson, in the course of an all-day debate in the House of Commons on May 2 on a resolution introduced by the Progressive Conservative Leader, Mr. Drew, which read as follows:

"This House is of the opinion that appropriate legislation should be introduced so that Communist and similar activities in Canada may be made an offence punishable under the Criminal Code."

The following are excerpts from the speeches of Mr. Drew, Mr. St. Laurent and Mr. Pearson:
Mr. Drew... "Peace or a breakdown in international diplomacy depends on the conviction in the minds of the thirteen men in the Kremlin that the democracies really mean business..."

"If within the next few weeks we in Canada show that in our own domestic activities we intend to deal with this treacherous force, that will have its effect, just as the action in Australia, South Africa, Malaya, India and other parts of the world has had its effect. It is because I believe not only that action in regard to this evil force is long overdue, it is because I believe that this criminal conduct should be dealt with as criminal conduct, and also because I believe that a strong gesture by the elected representatives of the people of Canada may have its effect that I move... (and he read his motion).

Mr. St. Laurent... "Labour unions in Canada are responsible democratic organizations and I feel sure that a large number who have no leaning whatsoever toward Communism or any of its affiliated isms would have resented any attempt by legislative authority and the police

to determine how their unions should be officered and who would receive votes at their elections. I think that at the present time we all have great reason to be satisfied with the autonomous purges that the labour movement of Canada has carried out in its own ranks. There are laws on our statute books, laws in the Criminal Code, which are sufficient, if applied, to deal with all overt acts directed against the security of the state..."

Mr. Pearson... "Has Communism increased in this country since that section (Section 98 of the Criminal Code) was amended? My answer would be: No, it has not increased, it has decreased. I suggest that one reason for that is that Canada is a better country to live in now than it was in 1936. If we can continue to make it a better country in which to live I hope I shall not have to restore Section 98,

COMMUNISM DECLINING

"But what has increased is the imperialistic might of the U.S.S.R. and the danger of imperialistic aggression from that source. It is difficult to exaggerate that danger. At the same time I suggest that we should not be misled by a consciousness of that danger into taking action in respect of domestic policies which would not be desirable otherwise. I suggest that we use the laws that we have when they are required to be used and they will be found to be adequate. I hope we shall refuse to throw overboard our liberty, remembering that Communism is declining in free countries, including Canada. It is declining in our country because it is being beaten by the good sense, the loyal patriotism, the belief in liberty under the law of our people; by the maintenance of prosperity and the eradication of social and economic injustices.

"That in my belief is the way to defeat the domestic menace of Communism. Let us then continue to follow that course which has already served us so well until it is clear, as I do not think it is now, that another course is required to accomplish the purpose which we all have in mind--the eradication of the communist menace from this country..."

C.C.F. Party spokesmen also opposed the resolution which was not disposed of at the adjournment hour.

POSITION IN COMMONWEALTH: There is no justification for a statement that Canada is dissatisfied with her position in the Commonwealth, the Prime Minister, Mr. St. Laurent, said in the House of Commons on May 2 in answering a question by Mr. George Drew, Progressive Conservative Leader:

Mr. Drew: In view of a Reuter's dispatch of yesterday's date from Capetown, in which the Prime Minister of South Africa stated as a positive fact that Canada was dissatisfied

with her position in the Commonwealth, will the Prime Minister take the appropriate steps to remove any uncertainty on this score?

Mr. St. Laurent: I do not think it requires any deliberation, Mr. Speaker, to be able to state that there is no justification. I know of for any such statement to be made by anyone. The dispatch also referred to dissatisfaction with the King's title. That must be based upon some resolution or motion that was before this House a couple of years ago, pointing out that His Majesty's title was no longer in strict accordance with the facts. No dissatisfaction was expressed with the title, but a statement was made here some time ago that it no longer corresponds with the present situation in the Commonwealth because the title does not include Ireland. At that time it was said that when it was modified it would probably not be appropriate for Northern Ireland to be specially mentioned in the title and the other units of the Commonwealth lumped together under a general description; and that possibly when consideration was being given to any change in the title there would not be merely the elimination of the reference to Ireland. I know of nothing else that could be any semblance of justification for the story that was shown me last night by a member of the press gallery.

AID FOR FLOOD VICTIMS: Federal aid for flood-stricken Manitoba was indicated in the House of Commons debate on May 1, and in a statement on April 28 by the Prime Minister, Mr. St. Laurent, in which he said:

"Hon. members can be assured that it is the desire of the Government to treat every part of the country in the same way. Should there ever be in any part of the country the sort of disaster there was in the Fraser river district, the people of that section would be entitled to expect that they would be treated in the same way as the residents of the Fraser River Valley were treated."

Settlers, soldiers and provincial and municipal authorities have been joined for a week in fighting the rising waters of the Red River, which on Sunday last reached a peak of 46.18 feet at Emerson, on the Minnesota-Manitoba border, and ravaged other municipalities. Winnipeg, itself menaced, became a relief centre for many evacuees from the Morris district. The subject was recognized by the Speaker as one of urgent public importance when it was introduced on an adjournment motion by Mr. René N. Jutras (Provencher) on May 1.

Virtually all the Manitoba members joined in the debate, and almost unanimous belief was expressed that the flood is a national emergency which calls for federal aid and compensations. The Minister of Justice, Mr. Garson, spoke for the Government. A clearer picture will be needed before the Government can indicate what federal assistance will be forthcoming.

The Premiers of Ontario and Saskatchewan have offered assistance to Manitoba.

THE PROVINCES

Newfoundland has finished her first year as a Canadian Province some \$2,800,000 in the red, but when payments into and out of the new Province's pre-union surplus were included there was an overall surplus of \$2,400,000. Next year a deficit of \$9,000,000 is estimated. Premier Joseph Smallwood presented the Budget on April 25.

Huge ditching machines on May 1 gouged out trenches at three locations between Edmonton and Regina, launching construction of the \$95,000,000 interprovincial pipeline which will carry Edmonton district oil to Eastern markets, 1,200 miles distant.

An interesting ceremony was held in St. Thomas, Ontario, on May 4, when two bronze tablets - dedicated to the memory of the late Dr. James H. Coyne and Professor George M. Wrong - were unveiled. The tablets have been erected by the Department of Resources and Development on the recommendation of the Historic Sites and Monuments Board of Canada.

Gérard Lacroix, K.C., has been elected President of the Quebec Bar Association. He succeeds Louis-Alphonse Pouliot.

SYDNEY CONFERENCE DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on May 3 the composition of the Canadian delegation to the meeting of the Commonwealth Consultative Committee which opens in Sydney, Australia, on May 15.

Delegate, The Honourable R.W. Mayhew, Minister of Fisheries; Alternate Delegate, Major General the Honourable L.R. LaFlèche, High Commissioner for Canada in Australia; Principal Adviser, D.V. LePan, Department of External Affairs; Advisers, N. Perry, Department of Finance; B.I. Rankin, Department of Trade and Commerce; and G.K. Bouey, Bank of Canada.

A secretary to the delegation will be provided from the Office of the High Commissioner for Canada in Australia.

Mr. Mayhew was a delegate to the Commonwealth meeting on foreign affairs held at Colombo, Ceylon, in January, which recommended the establishment of the Commonwealth Consultative Committee. The Principal Adviser to the delegation, Mr. LePan, participated in the official discussions on economic affairs held at Colombo while the ministerial talks were in progress.

At Sydney the Commonwealth Consultative Committee will consider broadly the economic needs of South and South-East Asia. A number of countries in that area are under-developed and are in need of capital equipment and technical assistance.

Several United Nations organizations are already concerned with the needs of South-East Asia. The work of the Commonwealth Consultative Committee will be co-ordinated with the work of these organizations.

The Canadian group leaves Ottawa this week. While it is not, of course, a "trade mission", naturally it is hoped that Canadian contacts with South-East Asia through the Commonwealth Consultative Committee and other organizations will lead eventually to increased trade.

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SETTLERS FOR NOVA SCOTIA: A joint provincial-federal plan for the settlement of agricultural immigrants on farms in Nova Scotia was announced on May 3 by the Nova Scotia Minister of Agriculture and the Minister of Citizenship and Immigration.

The first group to be settled will be Netherlands farm families who have been working for Canadian farmers for at least one year. They will acquire farms in the Antigonish and Inverness districts of Nova Scotia through the assistance of the Provincial Department of Agriculture, the Extension Department of St. Francis Xavier University acting in behalf of the Catholic Immigrant Aid Society, and the Department of Citizenship and Immigration, Ottawa.

Suitable farms are now being selected by representatives of the Nova Scotia Land Settlement Board and the Settlement Service of the Immigration Branch, Department of Citizenship and Immigration. Loans will be made to the settlers at low rates of interest, through facilities provided by the Nova Scotia Land Settlement Board.

The Nova Scotia Land Settlement Board will lend the settlers an amount equal to two-thirds of the purchase price of the land and fifty per cent of the cost of livestock and necessary farm equipment. The remainder of the cost of establishment will be provided for by the settlers and interested parties.

The families to be settled this year have been selected jointly by the Settlement Service of the Immigration Branch and the Nova Scotia Land Settlement Board. The settlement of other groups of agriculturists in Nova Scotia is now under study.

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NOTES TO HUNGARY AND ROUMANIA: The Department of External Affairs announced on May 3 that on April 27 the Canadian Government presented notes to the Governments of Hungary and Roumania in connection with the disputes which have arisen over the implementation of the human rights clauses of the Treaties of Peace signed by Canada with those countries. It was decided to present these notes in view of the recent opinion of the International Court of Justice that a dispute which is subject to the provisions for settlement of disputes contained in the Treaties of Peace does exist,

and that the Governments of Bulgaria, Hungary and Roumania are obligated to appoint their representatives to the treaty commissions. These notes drew to the attention of the Governments of Hungary and Roumania the advisory opinion of the International Court of Justice and assumed, in the light of this opinion, that the Hungarian and Roumanian Governments would now nominate their representatives to the treaty commissions and would further be willing to enter into consultation with the Canadian Government with a view to the appointment of the third members of the commissions.

As Canada has no diplomatic representative in Hungary or Roumania, the Canadian notes were presented by the British Ministers in Budapest and Bucharest. Similar notes were presented by the Governments of the United Kingdom, the United States and Australia to the Governments of Hungary and Roumania, and of Bulgaria as well. The Canadian Government did not present a note to the Bulgarian Government as Canada was not a signatory to the Treaty of Peace with Bulgaria.

The text of the Canadian note to Hungary reads as follows:

"His Majesty's Legation present their compliments to the Ministry of Foreign Affairs of Hungary and have the honour, on behalf of the Government of Canada, to direct the Ministry's attention to the Advisory Opinion on the interpretation of the Peace Treaties with Bulgaria, Hungary and Roumania which was given by the International Court of Justice on March 30, 1950.

"In the light of this Opinion, it is assumed that the Hungarian Government will now nominate its representative to the Peace Treaty Commission and will inform the Secretary General of the United Nations of the nomination in accordance with the United Nations General Assembly Resolution of October 22, 1949. It is further assumed that the Hungarian Government will also be willing to enter into consultation with the Canadian Government with a view to the appointment of a third member in accordance with Article 40 of the Treaty of Peace.

"As His Majesty's Legation informed the Ministry of Foreign Affairs in their note of January 5, 1950, on behalf of the Government of Canada, the Canadian Government has appointed Rt. Hon. Justice J.L. Ilesley, P.C. as its representative on the proposed commission."

The note to the Roumanian Government was similar to the note to the Hungarian Government.

On Monday, May 1, the Acting Permanent Delegate of Canada to the United Nations presented a note to the Acting Secretary General of the United Nations, transmitting copies of these two notes and requesting that copies be made available to all members of the United Nations and the International Court of Justice.

CANADIAN WEEKLY BULLETIN



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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

MR. DAVIS TO BONN: The Department of External Affairs, on May 8, announced the following changes in certain missions in Western Europe.

Dr. Victor Doré, now Ambassador in Belgium, has been appointed to Berne. This post has been vacant since the transfer to London of Mr. L.D. Wilgress slightly over a year ago. Dr. Doré will retain in Berne his personal rank of Ambassador and will remain a member of the Executive Board of the United Nations Educational, Scientific and Cultural Organization. It is expected that he will be available, from time to time, for attendance at the international meetings and conferences which are being held in Europe.

Lt. Gen. Maurice A. Pope now Head of the Canadian Mission to the Allied High Commission in Bonn and also Head of the Canadian Military Mission in Berlin will be leaving Bonn, and will take over a Canadian diplomatic mission elsewhere in Western Europe.

The Hon. T.C. Davis, formerly Ambassador to China, will replace General Pope.

It is expected that these changes will take place early in June.

Dr. Henry Laureys, now Canadian Minister to Denmark, will return to Canada in September and retire from the service.

Dr. P.E. Renaud who has served in Berne for the last three years will return to Ottawa for duty in the Department. Dr. Renaud is one of the Department's senior officers.

NORTH ATLANTIC TREATY STATEMENT: The North Atlantic Treaty is not, and never was intended to be, exclusively military; and one of the points which the Canadian Delegation to the meeting of the North Atlantic Council will discuss will be the obligation in the Treaty to encourage economic co-operation, the Secretary of State for External Affairs, Mr. Pearson, said in a statement on May 7.

The Minister had been invited by the National Council of the Canadian Peace Congress, meeting in Toronto, to make a statement on the foreign policy of the Government before the Congress. He was unable to attend but made the statement available for the use of the Congress.

Mr. Pearson's statement read as follows:

"The maintenance of peace and the establishment of security is the greatest single problem facing all the peoples in the world today. Every freedom-loving, peace-loving nation must build its foreign policy on the solution of that problem. But in our passion for peace in an insecure world we cannot blind ourselves to the necessity for taking adequate precautions against aggression from whatever source it may come.

"No country is, of course, entirely blameless in its international policies and all countries have made mistakes against peace. But public discussion in Canada in recent years demonstrates beyond question that the great majority of the Canadian people believes

GRAIN SHIPPING CONFERENCE: To facilitate the movement of ocean grain cargoes in the trade routes of the world, revised regulations for the loading and stowage of grain cargoes on board ships have been formulated at a conference which has been meeting in Ottawa for the past week, under the chairmanship of H.V. Anderson, Director of Marine Services of the Department of Transport. The delegates concluded their deliberations on May 4 when agreement was reached on revised regulations. These are subject to confirmation by their respective authorities.

It is expected that the proposed regulations will be put into effect on a date to be decided later, and in time for handling Canada's 1950 grain crop. The urgency for putting these regulations into effect was emphasized at the opening of the conference by the Minister of Transport, Mr. Chevrier.

A prepared statement was issued at the completion of the conference as follows:

CONFERENCE STATEMENT

"A conference composed of representatives of the Governments of the United Kingdom, the United States, Australia and Canada, with representatives of the New York Board of Marine Underwriters, the Shipping Federation of Canada and the Vancouver Chamber of Shipping, convened in Ottawa on April 28 to discuss methods of loading and stowage of grain cargoes.

"The object of the conference was the possible implementation of that part of the International Convention for the Safety of Life at Sea, 1948, which covers the carriage of bulk grain in ships. At the International Conference of 1948, agreement was reached to the effect that loose heavy grain in bulk might safely be carried in the tween decks of ships, provided such grain is carried in bins properly constructed in accordance with regulations; also that certain modifications of the existing regulations regarding shifting boards might be made without sacrificing the all-important safety requirements.

"It had been suggested that, pending ratification of the 1948 Convention and its subsequent coming into force, the United Kingdom, the United States, Australia and Canada might reach an agreement as to a possible basis for regulations which would have the effect of facilitating the movement of grain cargoes. Accordingly, the Minister of Transport, Mr. Chevrier, extended invitations to the Governments of the countries named above to send representatives to attend a conference to be held in Ottawa:

"The deliberations of the conference, under the chairmanship of H.V. Anderson, O.B.E., Director of Marine Services, Canada, have been conducted with complete cordiality and understanding. As a result of these deliberations, agreement has been reached on regulations to be promulgated and put into effect in the near future, thereby affecting quicker despatch of vessels consistent with safety requirements."

EMPLOYMENT INCREASE: The peak in registrations of those seeking work through National Employment Service has been passed, and a rapid seasonal increase in employment in most industries is now under way. After a slow improvement in the employment situation during March, the number of job openings has increased rapidly during April, and large numbers of jobless are returning to work. By April 20, the total number of job seekers registered at local employment offices had declined to 424,300, 10,400 below the April 6 peak, the Minister of Labour, Mr. Mitchell, announced on May 5.

The actual decrease in unemployment is higher than these figures indicate since many registered workers who have found jobs have not notified the National Employment Service. These registrations are not cancelled until 30 days after the date that the worker last reported to the local office, the Minister said.

SUPPLEMENTARY INSURANCE BENEFITS

Of the total number of persons registered with National Employment Service on April 20, 69,000 were persons who had registered for jobs at local offices in order to file claims for supplementary unemployment insurance benefits and who were not registered when the programme began on February 28. By far the largest proportion of this group was located in the logging districts of Quebec and the Maritime provinces. This programme has been of great assistance to many who had not been previously covered by unemployment insurance, or who had exhausted their benefits towards the end of winter, before the spring increases in employment began. Although the supplementary benefit programme ended on April 15 this year, the facilities of the National Employment Service will continue to be available to those who file claims for supplementary benefits while the programme was in effect.

Exclusive of those persons who had registered at the local employment offices since February 28 as a result of their claims to supplementary benefits, there were 355,300 persons seeking work through local employment offices on April 20, a decline of 12,600 since April 6.

The opening of navigation on the Great Lakes, and the beginning of spring activity in construction and agriculture have been responsible for many of the new job openings created. In the manufacturing industries, employment increased in heavy metal plants and in those producing electrical apparatus and household furniture. In some sections of the clothing and rubber goods industries production is close to its spring peak.

The improvement in the employment situation was especially marked in Ontario and the Pacific regions. There was also a considerable number of new job openings in Quebec and the Prairies.

AMBASSADOR OF TURKEY: The Department of External Affairs has announced that on May 5 Mr. Numan Tahir Seymen presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Turkey to Canada.

The Secretary of State for External Affairs, Mr. Pearson was present. Mr. Kenan Gökart and Mr. Efdal Deringil, First Secretaries, and Colonel Pertev Gökce, Military Attaché, accompanied the Ambassador. Mr. Howard Measures, Chief of Protocol, presented Mr. Seymen to His Excellency the Governor General.

Mr. Seymen was born in Istanbul in 1890 and is married. He is a graduate of the School of Political Science. Mr. Seymen entered the Ministry of External Affairs in 1913 and served in the Consulates General of Turkey in Berlin and in Paris. In 1928 he was First Secretary of the Turkish Embassy in Moscow and in 1931 Counsellor of the Embassy in Teheran. In 1933 he was appointed Director General of the Commercial Division of the Department of External Affairs. In 1935 he was Consul General in Geneva and in 1938 he returned to the Ministry of External Affairs as Head of the Consular Division. In 1939 Mr. Seymen was appointed Assistant Secretary General for External Affairs; he was appointed Turkish Minister to Egypt in 1942. Since 1946 he has been Minister to Austria.

Mr. Seymen succeeds Mr. Muzaffer Göker who left Ottawa in August, 1949, to take up his duties as Ambassador of Turkey to the U.S.S.R.

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HOUSING CONSTRUCTION: There was a slight decrease in the number of new dwelling units completed in Canada in January as compared with the corresponding month last year, and a sharp drop in the number of starts, but the number of units under construction at the month-end was above a year earlier.

Completions in January numbered 6,480 as compared with 6,643 a year earlier, while starts -- including Newfoundland -- totalled 2,152 compared with 3,066. At the end of January there were 55,125 units under construction as compared with 52,852 at the same date last year, an increase of four per cent.

Completions were increased in Quebec, Alberta and New Brunswick, but fell off in Ontario and British Columbia. Starts were down sharply in British Columbia and Alberta, and moderately lower in Quebec and Ontario, and the carry-over of uncompleted dwellings at the end of the month was higher in all provinces except Nova Scotia, Alberta and British Columbia.

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1948 RAIL REVENUES \$875,832,000: Revenues of Canadian railways during the calendar year 1948 reached an all-time peak total of \$875,832,000, according to the final detailed report for the year by the Bureau of Statistics. This

was \$90,654,000, or 11.5 per cent higher than in 1947, and \$79,196,000, or 10 per cent above the previous high established in 1944. The increase in freight rates of 21 per cent authorized on April 8 was largely responsible for the peak earnings.

Sparked by increases in labour and material costs, operating expenses jumped 17 per cent from \$690,821,000 in 1947 to a new high of \$808,126,000. The advance exceeded that in revenues by \$26,651,000 as the costs of operation advanced much more rapidly than the controlled payment rates received for transportation services.

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UNIVERSITY ENROLMENT DOWN: The trend in university enrolment in Canada has been downward in the past two academic years after reaching an all-time peak in 1947-48, according to preliminary figures released by the Bureau of Statistics. Despite the drop in the two years, enrolments currently exceed war and pre-war years by a wide margin.

The larger Canadian universities which normally account for about 95 per cent of all enrolments had 67,375 students enrolled for the 1949-50 term, indicating that enrolment in all universities in Canada is now about 70,000 as compared with 85,000 two years ago.

Among the larger faculties, reductions are particularly noticeable in agriculture, engineering, and applied science. Medicine, dentistry, veterinary science and schools of social work show increases. Enrolments in the law course have remained steady. The number of arts and science students has decreased at the undergraduate but risen at the post-graduate level.

Undergraduates enrolled in the arts course -- largest of the faculties -- in the 1949-50 term in the institutions reporting to the Bureau numbered 23,642 as compared with 24,595 in 1948-49, and 31,143 in 1947-48. In engineering and applied science, enrolment totalled 10,549 compared with 12,338 in 1948-49 and 14,345 in 1947-48; in medicine, 4,284 compared with 3,927 the year before and 4,009 in 1947-48; and in pure science, 4,504 compared with 4,618 in 1948-49, and 4,725 in 1947-48.

Undergraduates in commerce were lower at 3,335 compared with 4,537 in 1948-49 and 4,910 in 1947-48, and in agriculture were down to 2,275 from 2,874 in 1948-49 and 3,207 in 1947-48, but in law totalled 2,474 compared with 2,405 in 1948-49, and 2,499 in 1947-48.

Enrolments in dentistry were up to 1,095 from 888 in the preceding term and 993 in 1947-48, and in pharmacy to 1,432 from 1,111 in 1948-49, and 1,271 in 1947-48. In household science there were 1,303 undergraduates compared with 1,275 in 1948-49, and 1,474 in 1947-48.

Post-graduate students in all courses at the reporting institutions increased to 4,529 in 1949-50 as compared with 3,435 the previous session and 3,841 in 1947-48.

WHEAT CARRY-OVER CONSIDERABLY LARGER

WORLD SITUATION: Supplies of wheat remaining for export and carry-over at April 1 this year in the four major exporting countries -- United States, Canada, Australia and Argentina -- were considerably larger than they were a year earlier, while the present early forecasts indicate a generally favourable outlook for crops this season in the Northern Hemisphere.

Forecasts this early in the season are based principally on the area and condition of winter wheat, as spring wheat seeding is just now under way in most northern countries. It is estimated that winter varieties account for about 95 per cent of the total wheat crop in continental Europe and in China; about 75 per cent of the United States total and from 30 to 35 per cent in the Soviet Union. In Canada less than five per cent of the wheat area is planted to winter wheat. In continental Europe, prospects for winter grains are promising with major producing countries reporting good growing conditions on acreages as great or greater than last year. It was dry in the Soviet Union last fall and adequate snow cover was lacking in some areas until late winter. Spring seedings by late March, however, were reported to be higher than a year ago. Reports from India indicate that the crop there is turning out well with production at least up to last year's level.

The outlook in North America is perhaps slightly less favourable than elsewhere in the Northern Hemisphere. In the United States the April 1 estimate of 764 million bushels of winter wheat is 121 million bushels less than the December 1 forecast -- this being due chiefly to continued dryness, aphid infestation and acreage abandonment in the Southern Great Plains. Such a crop would be the smallest since 1944 but still one per cent above the 10-year average. However reports of continued deterioration have been received from several sections of the winter wheat belt and if conditions do not improve the crop may turn out

below the presently estimated level. In addition, the acreage intended for spring wheat seeding in the United States is down nearly 13 per cent from last year's plantings -- although still nine per cent above the 1939-48 average.

In Canada's Prairie Provinces, subsoil moisture reserves are quite generally below average, except in Manitoba. Spring is late, too, in the west this year and during April temperatures have been mostly below normal. According to an official report covering the period April 1 to 24, precipitation was five to 50 per cent below normal throughout most of the agricultural area of Manitoba, except in the far northwest. In Saskatchewan there were small deficiencies in the southeast and extreme west but substantial excesses occurred elsewhere. In Alberta, deficiencies ranged to 65 per cent in southern and east central areas but excesses of 35 to over 100 per cent were registered in northern districts. Floods have damaged crop lands along the Red River in Manitoba. Serious grasshopper infestations are anticipated over wide areas in all three provinces and local governments are actively preparing their control campaigns.

In the Southern Hemisphere seeding of small grains is just getting under way, with the long drought in Argentina being relieved by rains in late February and early March. The Government in that country recently announced a price bonus for the new crop and this may encourage the seeding of an increased acreage.

The amount of wheat available in the four major exporting countries for export and carry-over at April 1 this year was 919 million bushels compared with 815 million a year ago. Supplies this year (in millions of bushels) were held as follows, last year's figures in brackets: United States, 527 (420); Canada, 183 (200); Australia, 121 (100); and Argentina, 88 (95).

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1949 AGRICULTURAL PRODUCTION: Agricultural production in Canada last year was lower than in 1948, above 1947, but down somewhat from the all-time peak reached in 1942, according to index numbers compiled by the Bureau of Statistics.

The index number of physical volume of agricultural production for 1949, on the base 1935-39=100, stood at 121.8 compared with 125.2 in 1948, 116.0 in 1947, and 164.2 in 1942. The smaller production in 1949 as compared with 1948, is largely attributable to the prolonged drought which occurred during the early part of the growing season. The most significant reduction in output was recorded for the grain crops.

The protracted dry spell also adversely affected the 1949 production of potatoes and vegetables, although abundant, timely rains in September resulted in some recovery and final yields of these crops were much better than anticipated earlier. Adding to the decline in production was the smaller outturn of eggs caused by reduced hatchings in 1948 and an output of fewer eggs per hen during the year.

Offsetting but not entirely compensating for the reduced production of the above commodities was the fairly substantial increase in livestock production, together with smaller increases in the output of dairy products, fruit, tobacco, sugar beets and maple products.

NON-RESIDENT INVESTMENTS RISE: Non-resident investments in Canada rose more than \$300 million in 1948 over the 1947 level, the increase being entirely in holdings in the United States, while Canadian direct investments in business outside of Canada declined moderately and the value of Canadian portfolio holdings of foreign securities rose.

Total value of non-resident investments in Canada amounted in 1948 to \$7,513 million (Canadian) as compared with a revised total of \$7,192 million in 1947, and \$7,178 million in 1946, according to preliminary figures issued by the Bureau of Statistics. While showing a marked gain over the two preceding years, the 1948 total is below the 1930 dollar value, which stood at \$7,613.8 million. Since that year there has been a large decline in holdings in the United Kingdom, while holdings in the United States and in other countries have risen.

Investments in Canada held in the United States rose to \$5,588 million in 1948 from \$5,218 million the previous year and \$5,157 million in 1946. In 1930 they amounted to \$4,659.5 million. Investments held in the United Kingdom continued in 1948 the downward trend of the two previous years and the war-time period, declining to \$1,593 million as against \$1,631 million in 1947 and \$1,668 million in 1946. In 1939 United Kingdom holdings stood at \$2,475.9 million and in 1930 at \$2,766.3 million. Investments held in other countries than the United Kingdom and United States also declined last year to \$332 million from \$343 million and \$353 million in 1947 and 1946, respectively; these totals comparing with \$286 million in 1939 and \$188 million in 1930.

American direct investments in Canada in companies controlled in the United States increased in aggregate value to \$2,829 million in 1948 from a revised total of \$2,565 million in 1947, making an increase of more than \$500 million from \$2,304 million in 1945.

Canadian direct investments in businesses outside of Canada are placed at \$788 million in 1948, down from \$822 million in 1947 but still above the 1946 figure of \$772 million. Portfolio holdings of foreign securities by Canadians increased to \$605 from \$579 million. Both items are exclusive of investments of insurance companies.

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CARLOADINGS: Carloadings on Canadian railways during the week ended April 29 totalled 75,148 cars, a near record for the period, as compared with 74,098 cars in the same week last year, an advance of 1,050 cars or 1.4 per cent. Cumulative loadings for the first four months of this year were 1,174,270 cars against 1,228,907 last year. Eastern division loadings in the week climbed to 50,315 cars as compared with 49,125, while the West, despite floods in southern Manitoba, reported 24,833 cars against 24,973 cars in the same period of 1949.

UN OFFICER TO VISIT TRADE FAIR: To further United Nations' policy to explore all possibilities of purchasing from UN member states equipment for the permanent headquarters and expendable supplies for the daily operation of the Secretariat, Mr. W. Murray Anderson, an official of the Purchase and Transportation Division, dealing with international procurement, will visit the Canadian International Trade Fair opening in Toronto, Canada, on May 29.

Mr. Anderson will be seeking information on the availability of such items as upholstered furniture, steel office furniture, carpeting, radio and communication equipment, business machines, paper and other expendable items, the UN Press Bureau reports.

Countries which manufacture products suitable for United Nations' use will be invited to submit bids as requirements arise.

Up to the present time, the United Nations has placed orders in Canada for over \$300,000, a large portion of which represents the procurement of paper and contractual printing, as well as motion picture photography.

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WATER RESOURCES PAPERS: The Water Resources Division, Development Services Branch, Department of Resources and Development, has published volume 98 of the Water Resources Papers which deals with the surface water supply of Canada. This number contains the results of investigations by the Dominion Hydrometric Survey in the Province of British Columbia and in Yukon Territory for the climatic years October 1, 1942 to September 30, 1944.

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A.D. MCLEAN TO TRANSPORT BOARD: Appointment of A.D. McLean, O.B.E., Controller of Civil Aviation, Department of Transport, as one of the members of the Air Transport Board, was announced on May 8 by the Minister of Transport, Mr. Chevrier. Mr. McLean fills the vacancy created by the recent resignation of A/V/M Alan Ferrier, C.B., M.C., who has joined the Secretariat of the International Civil Aviation Organization. The other members of the Air Transport Board are J.R. Baldwin, Chairman, and J.P.R. Vachon.

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MOTOR VEHICLE SALES: While registering a more moderate increase over 1949 than in the two previous months, March sales of new motor vehicles were maintained at a high level. Financing of sales of new and used vehicles also continued to show large increases.

A total of 34,492 new vehicles were retailed for \$68,766,768 in March as compared with 24,637 vehicles sold for \$52,359,305 in the same month last year, raising the aggregate for the first three months of this year to 90,582 units valued at \$181,062,771 from 50,625 units at \$108,524,877 in the like period of 1949.

COST OF LIVING ADVANCES: The Bureau of Statistics cost-of-living index, on the base 1935-39=100, advanced to 164.0 at April 1 from 163.7 at March 1, and 159.3 at April 1 last year. Foods contributed approximately one-half of the increase of 0.3 points from March 1, while the fuel and light index gain was next in importance.

A rise in the food index from 204.0 at March 1 to 204.5 at April 1 was mainly attributable to higher prices for beef, eggs and coffee. Butter prices were down slightly. Higher quotations in Ontario and Quebec for

anthracite coal were largely responsible for the rise in the fuel and light index from 136.3 to 138.0.

The advance of 0.1 points to 166.4 in the index of home furnishings and services was due mostly to a slight increase in floor coverings. The miscellaneous index rose from 132.1, to 132.3, reflecting an increase in motor operating costs and drug prices.

The clothing index continued to decline, moving from 181.4 to 181.2. Rents were not surveyed at April 1 and the index remained unchanged at 132.7.

Cost-of-Living Indexes (1935-39=100)

	Combined Index	Food	Rent	Fuel and Light	Cloth- ing	Home Furnish- ings and Services	Miscel- laneous
April 1, 1950	164.0	204.5	132.7	138.0	181.2	166.4	132.3
March 1, 1950	163.7	204.0	132.7	136.3	181.4	166.3	132.1
April 1, 1949	159.3	198.5	122.4	131.0	183.2	168.0	128.4

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WORLD EMPLOYMENT SURVEY: The International Labour Office made public on May 8 its long-range survey of world unemployment conditions and its programme to avoid another depression.

The ILO economists, in a study prepared for debate by the worker, employer and Government delegates of 60 nations at its General Conference opening in Geneva, June 7, warned against certain signs pointing to a possible increase in unemployment.

They declared, however, that depression can be avoided by means of prompt and adequate international and national action. They said:

"The recognition that unemployment and underemployment are social evils which can be eradicated represents a landmark in the thinking of modern times. No longer is there a passive acceptance of the inevitability of unemployment and poverty."

The ILO economists warned, however, that the maintenance of full employment "is no easy task". Concerning the present world situation, they found:

1. "In the United States the rise in unemployment in 1949 was due mainly to the liquidation of inventories held by manufacturers and wholesale dealers.

2. "In the Bizone area of Germany, a major factor responsible for the upward trend of unemployment in 1949 was the rapid increase in the labour force consequent upon the large-scale influx of refugees.

3. "The unemployment problem in Italy is, to

a large extent, of a chronic character, originating primarily in the lack of employment opportunities in southern Italy.

4. "The increase in unemployment in Belgium in 1949 can be ascribed, to a large extent, to the increasing sales difficulties experienced in the export industries.

5. "While, with the exceptions noted above, the great majority of the industrial countries in 1949 experienced low unemployment and utilized manpower more fully than before the war, the employment problem in the underdeveloped countries remains as serious a problem as it was before the war."

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PORTUGAL EASES AIR TRAVEL: In support of the International Civil Aviation Organization's programme to facilitate international air travel, Portugal has relaxed its visa restrictions on travellers passing through the country or spending a few days in it, it has been announced. Passengers in transit may now land and remain in Portugal for four days without a visa, and may obtain further authorization for another six days upon request.

Other changes in the Portuguese regulations which will make air transport in and through that country simpler include the abolition of the ticket tax and of airport taxes which previously applied to passengers either in transit or disembarking at Portuguese airports. Customs formalities have also been simplified.

NORTH ATLANTIC TREATY STATEMENT

that the chief threat to peace lies in the aggressive and expansionist policy of the Soviet Union; in its determination to prevent friendly intercourse between the citizens and those of other countries; in its poisoning of the minds of its own people against the governments and peoples of the free democracies; in its aggressive and subversive interference in the domestic affairs of other countries through the use of the communist international as the agent of Russian Imperialism; in its arrogant refusal to participate in the work of the United Nations, except on its own terms. All these things have aroused fear and apprehension in the minds of all free peoples. They have necessitated large expenditures for defence which might have otherwise been devoted to progressive social betterment. The Canadian people have indicated clearly, however, that they see no alternative to such expenditures in the face of a Russian army of more than 170 divisions and of an organization of society where every individual is conscripted to the service of a ruthless police state.

DEFENCE AGAINST AGGRESSION

"Adequate defence against aggression - external and domestic - is only one aspect of a policy of peace. Another is the necessity of conducting our external affairs with a view to removing the causes of international conflict; political, social and economic. The Canadian Government is committed to that policy in its relations with other states. The Canadian Government is also pledged to support the United Nations and the manner of our participation in its work proves our good faith in fulfilling that pledge. Canada is no country's satellite at Lake Success. The facts of voting there prove that. No communist state has ever - except by accident - voted against the U.S.S.R. Canada's record, however, is different, and Canadian delegations without fear or favour have supported United Nations policies that in our opinion make for peace; and have opposed those that do not.

"The Canadian Government recognizes, however, that mainly, though not entirely, because of the obstructive tactics of the U.S.S.R., the United Nations cannot now guarantee any state's security. Until, therefore, the United Nations becomes more effective for this purpose, and we will support any good move to that end, the Canadian Government supports regional security arrangements such as the North Atlantic Pact. In present circumstances, these are essential complements to world-wide collective arrangements. They threaten no one who does not contemplate aggression.

"The North Atlantic Treaty is not and never was intended to be exclusively military. It is no alliance of the old-fashioned type. In fact, Canada took the lead in having inserted in it an article calling upon the signatory powers to strengthen their free institutions and to

bring about total understanding of the principles upon which these institutions were founded and in this way promote conditions of stability and economic well being. This same article imposed an obligation to terminate conflicting international economic policies and to encourage international economic co-operation. The implementation of this article, as one more step toward peace, is one of the points which the Canadian Delegation to the meeting of the North Atlantic Council will discuss in London next week.

"Unfortunately, co-operation, economic and social, with the U.S.S.R. and its satellite states is not now possible. Many overtures have been made by the western democracies for the purpose of encouraging easy and normal contacts between our people and the people of the Soviet Union. These approaches have been systematically rebuffed.

"The road to universal peace is not easy. In the face of determined aggressive and expansionist Soviet Imperialism the leaders and peoples of the free world will require patience to overcome the difficulties which lie in the way. Impatience which expresses itself in provocative tactics must be opposed from whatever source it comes - friendly or unfriendly. In addition, we will require strength, intelligence, imagination and sincerity. As I had occasion to say recently in the House of Commons, 'We must never give up trying. We must not...refuse to examine any proposal from any quarter which may be put forward'. We must, however, be on our guard against any false sense of peace and security. We must be watchful of the pitfalls into which easy catchwords of communist propaganda can lead us.

"In conclusion, I give you the assurance that for its part, the Canadian Government, with the support of the Canadian people, will do its best to preserve peace, to promote progress and to guarantee our security against aggression."

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on April 27 amounted to 126,780,200 bushels as compared with 129,130,800 a week earlier, and 118,551,000 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 2,080,500 bushels, down from last year's corresponding total of 2,345,400 bushels. The cumulative total for the period August 1 - April 27 was 265,006,500 bushels as against 262,687,500 in the similar period of the preceding crop year.

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UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits in March numbered 133,404; up from the preceding month's total of 125,511, and above last year's March figure of 103,402.

"CANADA'S INDUSTRIAL HORIZONS"

ADDRESS BY MINISTER OF TRADE: It will not be long before we can stop thinking of atomic energy as an agency of destruction and instead think of it as a great new source of power and a basis for a gigantic new industry, the Minister of Trade and Commerce, Mr. C.D. Howe, told the Dominion Council of Foremen's Clubs in Montreal, on May 5, in an address on, "Canada's Industrial Horizons."

Canadian industry, he said, must continue to expand and to compete if jobs were to be found for the rapidly growing population. Future growth was likely to depend in part upon public demand for new products. He said that few realized the part that research and invention could play in the development of an industrial nation and added he liked to think that the next fifty years would exceed the past half century in that respect.

In reviewing Canada's trade outlook from the perspective of present world conditions, the Minister said in part:

"In taking stock of our present situation, we must not side-step the fact that the world has not yet nearly completed its reconstruction. The structure of international trade is being held together by makeshift arrangements, makeshift not in the sense that they are not good, practical arrangements, but rather in the sense that they are essentially temporary. Few countries have yet been able to make much headway toward freeing their foreign commerce from import, export and exchange restrictions.

"Actually, the progress that is being made in some countries in this regard is being largely offset by the increased extent and severity of restrictions in other countries. Not only that, our old aversion, the bilateral agreement, in its many different forms, is very much in the picture. I am afraid that the widespread use of bilateral agreements is not going to disappear, nor be much reduced, until unstable currency values and heavily unbalanced trade between different areas has been corrected to an extent that will assure the many countries using that trading system that they can give it up safely and with something better in sight.

"The only permanent remedy lies in a better balance in the exchange of goods between countries, and particularly between dollar countries and countries using other currencies. The solution rests in no small degree upon British and European success in finding increased markets in North America....

"In the past, with our boasted faith in the competitive system, we have been more closely wedded to the principle of competition within

our own borders than to the admission of competition from outside sources. If in future we intend to limit closely the degree of genuine competition that we will extend to the countries that are allied and associated with us, we cannot expect them to do otherwise.

"It is well to remember that no country is as dependent for its prosperity upon export markets as is Canada. On a per capita basis, our exports are four times those of the United Kingdom. I do not see how Canada can continue to prosper unless we can maintain our exports at something like present levels, or until our growth in population can absorb a larger proportion of our expanding production....

"What of the future? Canadian industry must continue to expand and to compete if jobs are to be found for our rapidly growing population. Future growth is likely to depend in part upon the public demand for new products, and this in turn will depend on the progress of invention and scientific progress. Few of us realize the part that research and invention can play in the development of an industrial nation. With this thought in mind, Canada is now spending more than ten times the amount of money for research that was considered appropriate in prewar years....

"I like to think that the next fifty years will exceed the past half century in progress through science and invention. Atomic energy comes immediately to mind as one of the spectacular discoveries that might exert as much influence on the material world in the next fifty years as the internal combustion engine has done to date. We discuss this now in terms of atomic bombs, but the possibilities of atomic energy are as great for good as for evil. It will not be long before we stop thinking of atomic energy as an agency of destruction and instead think of it as a great new source of power and a basis for a gigantic new industry.

"The jet gas turbine is in its infancy and will make its contribution. The Diesel engine is replacing steam on our railroads with amazing resultant economy of operation. Television is in its infancy. Recent studies in medical research have been striking, with the discovery of insulin, sulpha drugs, penicillin, streptomycin and now Cortisone and ACTH....

"Apart from the development of new industries, the Canadian industry is bound to expand, provided its efficiency can be maintained. Canada is fast becoming the world's greatest source of raw materials, - copper, zinc, lead, nickel, aluminum, timber and lumber and, more recently, iron ore and titanium and petroleum.

CROP SEASON LATE: The spring season with few exceptions is later than last year and in most areas well behind normal, states the Bureau of Statistics in the first of its 1950 series of telegraphic crop reports.

Very little seeding has been done in the Maritimes and little or none in Quebec. Good progress has been made in southern and central counties of Ontario but work will not start in the north for another week to 10 days. Pastures have been slow to start throughout eastern Canada and most cattle are still being stable fed.

In the Prairie Provinces, with the exception of small areas in southern Alberta and Saskatchewan, practically no seeding has been done. Seeding over much of Alberta and Saskatchewan should become general this week but excessive moisture in the greater part of Manitoba will delay seeding for another week or more. Temperatures throughout the Prairies have been generally well below normal to date this season. For the most part, surface moisture is adequate to promote germination in Alberta and Saskatchewan but subsoil reserves are generally below normal. Backward weather has also delayed field work in British Columbia. Prospects for most fruit crops are considered generally below normal.

SEASON IN MARITIMES

The season in the Maritimes is considerably delayed by cold weather. Seeding is under way in the Annapolis Valley of Nova Scotia and some ploughing has been done in Cumberland County. Elsewhere in the province work on the land has not started. Pastures have wintered well but some winter-killing of clovers is reported in the Amherst area. In New Brunswick only a few very early fields have been seeded with most of the land being too wet to handle. Clovers and alfalfa suffered severe winter injury and warm weather is needed for the growth of meadows and pastures.

In strong contrast to last year it has not yet been possible to start field work in Quebec. It is expected, however, that some farmers in the districts around Montreal will start seeding this week, given warmer weather. Low temperatures and night frosts have delayed growth in pastures and meadows with the result that cattle are still being stable fed. Meadows have been damaged in some areas but it is too early to estimate the general extent of winter-killing.

Persistent cold, backward weather throughout Ontario has delayed spring seeding considerably this year. Very little was completed in April, but good progress was made in the southern and central counties during the first week of May.

THE PROVINCES

For the first time in Toronto's history, organized baseball was played on Sunday in that city, the home team losing both ends of a double header to Jersey City. Attendance was 17,388.

The Provinces of Ontario and Manitoba favor payments of old age pensions to all persons 70 years of age and over regardless of means, it was shown in correspondence made public by Parliament's Committee on Old Age Pensions.

The County and District Judges Association of Ontario has asked for salary increases for its members. The average salary of County Court Judges in Ontario each year was \$8,782, it was shown in a return tabled in the House of Commons.

More than 10,000 people heard the Very Reverend Hewlett Johnson, Dean of Canterbury, at a mass meeting in Maple Leaf Gardens, Toronto, on May 7, under the sponsorship of the Canadian Peace Congress.

Alberta has asked the Royal Commission on Transportation for changes in the system of setting freight rates to wipe out "Discrimination" against that Province.

PRODUCTION

Factory shipments of Canadian-made motor vehicles were again at a high level in March. There were 30,051 units shipped in March as compared with 30,137 in the preceding month and 25,566 in March last year.

Gold production in Canada in February was down one per cent from January, but increased 14 per cent above February, 1949. The month's production amounted to 350,704 fine ounces.

Production of electric refrigerators rose to an all-time monthly high record in February, amounting to 21,410 units.

Wheat flour production increased 10 per cent in March over the corresponding month last year, amounting to 1,850,721 barrels.

IN PARLIAMENT

FEDERAL FLOOD, FIRE AID: Twin tragedies of flood in the mid-west and fires in Eastern Canada held Parliament's attention during the week - a week of national tragedy.

The events for which representatives of all parties in Parliament expressed profound sympathy and regret were the Manitoba floods, which, steadily rising, have left thousands homeless; and fires which wiped out a large portion of the town of Rimouski, Que., and swept the little milling town of Cabano, Que.

The Rimouski fire of May 6 and 7 is reported to have been started by a power line which fell into a great yard of drying lumber. The loss there is estimated to be \$20,000,000, and 2,500 of the 15,000 inhabitants have been left homeless.

The Cabano fire of May 9 reportedly started in a lumber pile ignited by sparks from the chimney of a planing mill, and occasioned loss estimated at between \$5,000,000 and \$10,000,000. In Cabano which is only 50 miles from Rimouski, 1,800 are reported homeless.

The Manitoba floods, at latest estimate, have inundated hundreds of square miles and rendered many thousands of Southern Manitobans homeless. Thousands have fled their homes in the Winnipeg area and mass evacuation of all low-lying parts of Greater Winnipeg was urged Tuesday night by the Army head of flood control, as the Red River surged upward from already-record levels.

On May 10 it was recommended by flood control headquarters that as many women and children as possible leave Winnipeg at once, before the flood situation got worse. An estimated 25,000 flood-dispossessed persons from the Red River Valley were then reported to be in Winnipeg. One eighth of the metropolitan zone was reported to be under water.

The special facilities of the Armed Forces and all other federal agencies in the respective areas were made immediately available to the stricken populaces, the Prime Minister, Mr. St. Laurent, announced in the House of Commons on May 8, and federal financial assistance in the measure which ultimately is deemed necessary was pledged by the Prime Minister in a telegram to Premier Campbell of Manitoba.

"Until the extent of your misfortune is determined," the Prime Minister's telegram read in part, "no one can be specific, but I can say in general terms that in arriving at the amount of our assistance to you, we shall apply the same principles as those upon which our assistance to the British Columbia Government in connection with the Fraser River Valley floods was determined."

MR. DREW'S MOTION DEFEATED: Accepting the Government's previously expressed view that Canada's anti-subversive laws are adequate, the House of Commons, on May 8, rejected the motion of Mr. George Drew, Progressive Conservative Leader, for amendment to the criminal code to make Communism and "other similar activities" a criminal offence.

The vote was 147 to 32. The C.C.F. and Social Credit parties voted with the Liberals against the motion. Two Independents and one Liberal - Mr. Wilfrid Lacroix - voted for the motion.

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NATIONAL NOTES

The former Prime Minister, Mr. King, has received the Grand Cross of Luxembourg, in recognition by Luxembourg of services during the war.

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Leo Dolan, Director of the Travel Bureau, told the Senate Committee on Tourist Traffic that inquiries to date are 19 per cent higher than in the corresponding period last year.

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The Secretary of State for External Affairs, Mr. Pearson, arrived at London Airport on May 7, to attend the meeting of the North Atlantic Council.

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Senator W.D. Euler, on May 8, urged the Senate to accept a motion which would commit it to approve of a conference of the nations of the Atlantic Pact to "explore the proposals of Federal union."

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Two Lancasters took off from Rockcliffe Air Station, near Ottawa, on May 9, for Resolute Bay in the heart of the Canadian Arctic, farthest north the photo squadrons have ever been based.

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An RCAF Vampire jet fighter set a record for the flight between Ottawa and Montreal on May 8 when it flew the 91½ mile air distance in eight and one half minutes, the RCAF has announced.

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Sir Basil Brooke, Prime Minister of Northern Ireland, and Lady Brooke, arrived in Ottawa on May 9, at the commencement of a three-week visit.



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WEEK'S EVENTS IN REVIEW

MANITOBA FLOOD REPORT: Following a week-end spent in Winnipeg, conferring with provincial, civic, Red Cross, and military forces combating the disastrous floods, the Ministers of Justice, Mr. Garson, and National Defence, Mr. Claxton, reported in some detail to Parliament, on May 15, the conditions which they found.

Mr. Garson, after describing the inundation of various of the areas affected, announced that an integrated plan for complete evacuation of the City had been worked out in case of necessity, that arrangements had been made for bread to be brought in on a day's notice from cities outside Winnipeg, and that work was being maintained on the dikes by volunteer workers numbering well over 50,000.

Mr. Claxton reported that over 4,000 officers and men of the navy, army and air force, active and reserve, were occupied in the Winnipeg operations, which, he said, from the point of view of service participation, constituted a much larger effort than took place at the time of the Fraser Valley floods of 1948. The airlift was probably the largest ever carried out in Canada, and over 30 North Star and Dakota aircraft had been continuously engaged, with an amazing record of performance.

The partial text of Mr. Garson's descriptive report is as follows:

"South of Winnipeg is a lake, in some places over twenty miles wide, and averaging twelve miles wide, extending to Emerson near

the international border and for very many miles beyond that point. The Wildwood area in Fort Garry, the Kingston Crescent area, and nearly the whole of the remainder of St. Vital and the large Riverview area, are almost completely evacuated. Much of East Kildonan is largely evacuated. Most of the hospitals have been completely evacuated, and the Deer Lodge and general hospitals partly so. The city of St. Boniface is threatened on two sides, from the Red and from the Seine river, and is being protected by dikes which are in constant course of repair and which in some places are as high as twenty feet. Because of the danger which that height of dike creates, a considerable measure of evacuation of women and children from that city has been recommended and carried out.

"I am glad to report that the power situation is considerably better. The power stations and gas plant have been well diked; and there is at the present time considerable optimism with regard to the ability to maintain power and light and gas services unless the river should rise substantially beyond its present level....

"There is no trouble expected in connection with railway access to the city. The equipment supply has reached a peak point except with regard to pumps.

"I think it will be of some relief to those who are anxious to know to be told that a well worked-out and integrated plan for complete

IMPORTS FROM U.K. AT ALL-TIME HIGH

WORLD TRADE PICTURE: Canada had a debit balance in commodity trade with the United Kingdom in March instead of the traditional export surplus, due to a sharp rise to a new peak total in the value of imports and a fall in the value of exports. There was also an extraordinary debit balance from trade with other countries of the Commonwealth. At the same time the debit balance with the United States continued the downward trend of recent months, imports falling below a year earlier for the fifth successive month and exports again moving to a higher level. These were only slightly offset by a small export surplus to all other foreign countries.

The net result was that Canada had a debit balance of trade with all countries of \$5,700,000 in March -- the first since April last year. This compares with a small credit balance of \$1,400,000 in the preceding month, and debits of \$16,900,000 and \$2,400,000 in March and April last year. In the first quarter of the year the balance was in Canada's favour to the extent of \$7,500,000 compared with a debit of \$600,000 in the same period of 1949.

The adverse balance with the United Kingdom amounted to \$2,400,000 as compared with credit balances of \$5,300,000 in February and \$11,300,000 in March, 1949. In the quarter, the favourable balance was \$25,700,000, less than half last year's first-quarter total of \$63,200,000.

In trade with the United States there was a marked decline in the debit balance in the month to \$3,700,000 from \$44,900,000 in the corresponding month last year. In the first quarter, the debit balance was \$38,100,000, sharply below last year's debit of \$132,800,000 in the same period.

Merchandise imports from the United Kingdom in March rose to \$32,700,000 from \$28,300,000 a year earlier, while domestic exports fell to \$30,100,000 from \$39,500,000. This is the

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INTERNATIONAL TRADE FAIR: An unprecedented concentration of wealth and business influence is reflected in advance registration of "Very Important Persons" from many parts of the world who have already reserved hotel accommodation in Toronto for the third Canadian International Trade Fair, from May 29 to June 9.

A spot check of the first 500 room reservations made through the Trade Fair administration reveals that more than one-third constitute the very loftiest of "top management", listed as either Chairman of the Board, Presidents, Vice-Presidents, Founders or Managing Directors. Also on the list, but not included in this "top management" business rating, are Ambassadors, Premiers, Deputy Ministers and high government officials.

highest value yet reached by imports from the United Kingdom and indicates a much larger volume than in any month last year. In the first quarter of the year, imports were up to \$84,200,000 from \$76,700,000, while the domestic exports were down to \$109,100,000 from \$139,400,000.

Imports from the United States in March fell to \$160,900,000 from \$169,000,000 in the corresponding month last year, while domestic exports rose to \$154,300,000 from \$122,400,000. In the quarter, imports totalled \$458,500,000 as against \$482,600,000, while domestic exports aggregated \$414,000,000 compared with \$345,200,000.

Imports from all countries in the month were valued at \$237,400,000 as compared with \$200,200,000 in the preceding month and \$235,900,000 in the corresponding month last year, bringing the total for the first quarter of the year to \$649,500,000 as against \$665,700,000 in the similar period of 1949.

Domestic exports to all countries in the month -- as published earlier by the Bureau -- were valued at \$228,200,000 as against \$199,500,000 in February and \$216,800,000 a year earlier, and in the first quarter at \$648,900,000 compared with \$658,800,000.

Foreign exports in March were valued at \$3,500,000 compared with \$2,100,000 in February and \$2,200,000 a year ago, and in the first quarter totalled \$8,100,000 compared with \$6,300,000.

Besides the increased dollar value of purchases from the United Kingdom, and the slackening in buying in the United States, purchases were higher in March than a year earlier from Commonwealth countries in Africa and the Oceania group, but were lower for Commonwealth countries in America and Asia. Buying from countries in Europe was slightly lower in value, but higher from Latin America and from other foreign countries.

Total of registered business visitors is expected to exceed last year's 30,000 by a substantial amount, and this initial sampling of advance registrations reflects the sharply increased interest of international industrial and business leaders.

These first returns predominate with names that mean big business in Britain, Canada, the United States, Australia, India and New Zealand. Seventeen of the Presidents head Canadian firms, with nine from the United States and seven from the British Isles. Vice-presidential registrations so far (14) are shared about equally between the U.S. and Canada, and so on, down the list.

ACREAGE INTENTIONS FOR 1950 CROPS

27,200,000 ACRES TO WHEAT: Canadian farmers will seed 400,000 fewer acres to spring wheat this year than in 1949, making a total of 27,200,000 acres seeded to wheat for harvest in 1950, the Bureau of Statistics estimates on the basis of farmers' intentions at April 30. A decrease of 850,000 acres in summerfallow in the Prairie Provinces is also anticipated, bringing the total summerfallow to 20,100,000 acres.

Offsetting these declines, significant increases are looked for in the major coarse grain crops and flaxseed. The intended acreage of oats at 12,000,000 acres, is up six per cent from last year while barley at 6,900,000 has registered an increase of 15 per cent. Total rye acreage is practically unchanged from 1949 but an anticipated increase of 55 per cent in flax seedings should give Canada nearly half a million acres of flax this year. The acreage intended for potatoes this year is five per cent below the 1949 level.

Intended wheat seedings in the Prairie Provinces are placed at 26,100,000 acres, down some 400,000 from 1949. Ontario's wheat acreage for harvest in 1950 is currently placed at 917,800 acres, nearly all of which is winter wheat, an increase of six per cent over the 1949 harvested area. Wheat is of much less importance in the remaining provinces and the small changes indicated have little effect on

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REHABILITATION CONFERENCE: Problems of Canadians with disabilities are to be discussed at a conference on the rehabilitation of handicapped persons to be held in Ottawa on May 25, 26 and 27, organized by the Labour Department and under the joint sponsorship of the Departments of Labour, Health and Welfare and Veterans Affairs.

All ten Provinces, national voluntary agencies and individuals with special experience in this field have been invited to join federal authorities in studying some of the rehabilitation programmes in Canada and abroad and to consider where such work may be extended in this country to provide more adequate protection for the disabled.

The conference is expected to deal with technical aspects of problems of the handicapped, rather than policy, but its findings will be referred to the respective governmental and other interested agencies for their guidance.

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SHIP INSURANCE RATE CUT: The Minister of Transport, Mr. Chevrier, on May 12, announced that a reduction of 33 1/3 per cent, effective May 1 last, had been made in the scale of minimum additional premiums on hull insurance rates on ships trading between Churchill,

the national total. Winter wheat is seeded to some extent in Alberta and Saskatchewan but official estimates on these seedings are not currently available. It is thought, however, that the total of such wheat on the Prairies is probably less than 200,000 acres.

The anticipated change in wheat acreage from last year in each of the Prairie Provinces is as follows: Manitoba, down 317,000 acres or 10 per cent; Saskatchewan, up 157,000 acres or one per cent; and Alberta, down 228,000 acres or three per cent. A western wheat acreage of the magnitude of 26,100,000 will, if realized, considerably exceed the 1940-49 average of 22,700,000 but would be some six per cent below the record level of 1940 when 27,800,000 acres were sown to wheat in the Prairie Provinces.

For the country as a whole, farmers intend to seed 12,000,000 acres to oats as compared with 11,400,000 in 1949. Increases are indicated in all provinces, with Alberta and Saskatchewan accounting for the major portion. The 1940-49 average acreage of oats in Canada as a whole was 12,800,000. The intended barley acreage for all Canada is estimated at 6,900,000 acres as compared with 6,000,000 last year and the 10-year average of 6,600,000. Increases are anticipated in all provinces except Nova Scotia and Ontario.

Manitoba and the United Kingdom. This was additional to a reduction of 25 per cent made last year.

The Minister pointed out that these reductions resulted from representations made by the Department of Transport to marine underwriters' organizations in London through the Commonwealth Shipping Committee. Canada, he said, was appreciative of the representations made on its behalf by the Commonwealth Shipping Committee.

Mr. Chevrier added that the Department of Transport intends to make further representations with a view to the extension of the navigation period in which the minimum additional premiums will apply on the Churchill-United Kingdom route.

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CARLOADINGS: Carloadings on Canadian railways during the week ending May 8 amounted to 73,928 cars, showing a minor decline of 426 cars from the 74,354 cars loaded in the corresponding week last year. The eastern division total rose 945 cars to 50,633 compared with 49,688, but western loadings were down from 24,666 to 23,295 cars. During the first 18 weeks of this year, all-Canada loadings aggregated 1,248,344 cars as compared with 1,303,261 in the same period of 1949.

ATOMIC ENERGY OUTLOOK: The following is an excerpt from the address of the Minister of Trade and Commerce, Mr. Howe, to the graduates of the University of British Columbia, on May 11:

"I rather think that atomic energy, today, is about where the electrical industry was at the time of Faraday, and that the development of its use will have at least as great an impact on society.

"We know full well that material progress for two hundred years has always been associated with the increase in available capital and available power, permitting the substitution of machines for human effort. First, the steam engine, then hydro engines and internal combustion engines, made progress possible.

"Now we have this new and almost unbelievable great source of energy rapidly becoming available for use. The military implications of atomic energy have thrown a temporary cloud of secrecy over this development, but already the use of radio-isotopes, as a research tool gives promise of great things, making possible new discoveries in all fields of knowledge that mean a major advance in science and technology.

"The international situation may delay progress temporarily, but the day will surely come when the peaceful use and application of this new, and fantastically large, source of energy from atoms, will certainly open up a new and potentially great field of engineering, technology, industry and opportunity...."

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CANADA'S POPULATION 13,766,000: Canada's population at the first of March this year was 13,766,000, an increase of 59,000 over the figure for December 1, 1949, according to the quarterly estimate by the Bureau of Statistics. The gain in the latest quarter compares with estimated increases of 71,000 in the quarter from September 1 to December 1 last year and 87,000 from June 1 to September 1 when there were larger net increases from immigration added to the gains from natural increase. The annual estimate for June 1, 1949 was 13,549,000, the estimated nine-month increase to March 1 this year being 217,000.

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FARM PRICE INDEX UP: Farm prices of agricultural products in Canada, excluding Newfoundland, advanced in March over February, but were below the level of March last year, according to index numbers compiled by the Bureau of Statistics. Prices increased from February to March in all Provinces, but were below those of a year earlier in each Province.

The index number for all-Canada, on the base 1935-39=100, stood at 246.2 for March as compared with 242.7 for February and 251.1 in March last year. The increase over February is largely attributable to increased prices paid for live stock. Small increases were also registered for eggs and potatoes. Compared

with a year ago, prices were lower for all commodities except live stock.

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MCKEE TROPHY WINNER: Dennis K. Yorath of Edmonton, Past President of the Royal Canadian Flying Clubs Association, and prominent in Canadian civil flying activities for more than 20 years, today was announced as winner of the McKee Trophy for 1949 by the Minister of National Defence, Mr. Brooke Claxton.

The trophy, awarded annually since 1927, is presented for meritorious service in advancement of Canadian aviation. The citation covering the award to Mr. Yorath refers to his "outstanding contribution to advancement in the field of aviation during 1949" and cites him as having served the Association as one of its most able and energetic chief executives.

On his initiative, it states, the Association carried out several successful projects designed to enhance the development of aviation in Canada during the period 1947-49. Outstanding examples are the revival of the Webster Trophy competitions in 1947, the National Flying Club Week, the organization and establishment of the Model Aeronautics Association of Canada, and the Safe Flying Campaign among the RCFCFA member clubs, "which continues from year to year and has already contributed to a substantially improved accident rate".

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197 NRC SCHOLARSHIPS: The National Research Council has announced the award of 197 scholarships worth \$140,225 for postgraduate research in 1950-51. Chosen by careful selection from 473 applications, the grantees are grouped in five classes as follows: Postdoctorate overseas fellowships, 8 at \$2,500; special scholarships, 6 at \$750; fellowships, 21 at \$900; studentships, 81 at \$750; and bursaries, 81 at \$450.

By university of bachelor graduation, a classification of the scholarship holders shows the following representation: McGill, 32; British Columbia, 31; Toronto, 27; Saskatchewan, 18; Queen's, 17; Alberta, 16; Manitoba, 15; Dalhousie, 10; Laval, and Western Ontario, 8 each; New Brunswick, 4; two each from Loyola, Macdonald College, Montreal, and Mount Allison; and one each from Acadia, McMaster, and New York.

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STORE SALES DOWN 10 P.C.: Department store sales decreased 10 per cent in April as compared with the corresponding month last year, all Provinces sharing in the decline, according to preliminary figures. Sales in Saskatchewan showed the sharpest decrease of 25 per cent, followed by the Maritimes with a decrease of 12 per cent, Manitoba 11 per cent, Alberta 10 per cent, Ontario nine per cent, and Quebec and British Columbia each seven per cent.

CANADA'S VAST, NEW RESOURCES

MR. ABBOTT'S CHICAGO ADDRESS: Canada has a very good chance of achieving national petroleum self-sufficiency within a few years, with very important implications for its international balance of payments, the Minister of Finance, Mr. Abbott, said in an address before The Bond Club of Chicago, on May 12.

The Minister reviewed at length Canada's financial affairs, its progress and its arrival at the present sound economic position and promising future. The following is an extract from his address dealing with the discovery and development of vast, new resources:

"While Canadians are proud of the rapid growth we have experienced during the last decade, there are many, both in Canada and elsewhere, who believe that this is just the beginning of a new dynamic period in Canada's development. These observers point to a number of recent discoveries of vast new resources -- oil in Alberta; high-grade iron ore at Steep Rock in Ontario, and much larger deposits in Northern Quebec and Labrador; titaniferous ore in Northern Quebec; uranium and base metals in the Northwest; -- and they suggest that these may be merely the forerunners of many other similar discoveries which are likely to result from the application of the seismograph, the magnetometer, and other modern gadgets, to the exploration of our vast hinterland.

"Recent progress in the Alberta oilfields would appear to confirm the most optimistic view of the probable magnitude of oil reserves in this region. Since the discovery of the Leduc field in November 1947, our estimated proven reserves have increased more than fifteen times. Last year they were more than doubled by the finding of several new major and minor fields. The current rate of exploratory activity, as measured by the number of crews at work, is second only to that of Texas.

"So far the effort of the industry to find new oil fields has covered only a small fraction of Canada's 655,000 square miles of prospective oil territory. According to the ex-

perts, we have a good chance of achieving national petroleum self-sufficiency within a few years. That, of course, has very important implications for our international balance of payments, as the importation of petroleum products last year cost us \$275 million. Even now the Alberta oil fields, which are prorated down to little better than half their optimum output, are meeting the requirements of the Prairie Provinces and saving us about \$90 million a year in foreign exchange.

"The new pipeline from Edmonton to Lake Superior which will bring Alberta oil to Ontario refineries, will be completed by the spring of 1951. It seems clear, however, that the most economic use of western oil will require that some of it be shipped to neighbouring areas in the United States, while the large oil-using centres in Eastern Canada continue to obtain the bulk of their supplies in the United States. It would, I think, be unfortunate if our two countries did anything to prevent this reciprocal flow of oil back and forth across the common boundary line and the more efficient utilization of North America's economic resources which it makes possible.

"The Steep Rock iron ore project has been exporting high-grade ore to the United States for some years and plans are now under way to raise output to 3 million tons by 1952. The Ungava-Labrador project offers much greater possibilities. Proven reserves in excess of 350 million tons are considered to be only a fraction of what the field will eventually yield. Six American steel companies have an option to participate in the development and financing of this \$200 million project. Tentative plans call for a railway from the ore body to the St. Lawrence River and the minimum scale of the enterprise involves the shipment of 10 million tons of ore annually. The project, however, will not reach its maximum utilization until the St. Lawrence Seaway has been completed...."

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FORAGE SEED CROPS DOWN: Canada's 1949 forage seed crops were valued at \$13,228,000, down sharply from the preceding year's total of \$21,639,000, according to final estimates by the Bureau of Statistics. The value of vegetable seed and field root-seeds also moved lower to \$1,070,000 as compared with \$1,966,000.

Among the larger forage seed crops there were marked decreases in the value of alfalfa, alsike clover, red clover, and creeping red fescue, but increases in sweet clover, timothy, and brome grass. Among vegetable seed crops there were declines in peas, beans and cucumbers, but increases in carrots, lettuce, and onions.

RAIL FREIGHT TRAFFIC FALLS: Volume of revenue freight carried by Canadian railways in January fell to 9,662,264 tons from 11,113,742 tons in January 1949; and 11,599,866 tons in January, 1948. Weather conditions, particularly in the western division, restricted loadings, while the coal strike in the United States lessened in transit and import traffic. The decrease from January last was 1,451,478 tons or 15 per cent. The current total was the smallest for any January since 1942, but remains considerably above the 5,467,082 tons carried in the same month of 1939. Newfoundland loadings are included for the first time and were 24,083 tons for the month.

\$745 MILLION REFUNDING LOAN: The Minister of Finance, Mr. Abbott, announced on May 15 the term of the 1950 Refunding Loan totalling \$745 million. The loan consists of two maturities - 18-year 2½% bonds maturing June 15th, 1968 and 4½-year 2% bonds maturing December 15th, 1954. The longer-term bonds which are callable on or after June 15th, 1967, are being offered at 99.50% to yield about 2.79% to maturity and the short-term non-callable issue is priced at 99.80% to yield about 2.05%.

The entire proceeds of the new loan will be used to refund two outstanding issues of the Government of Canada which have been called for payment in June. \$95 millions of 3% bonds issued in 1935 have been called for redemption on June 1st, 1950 and \$650 millions of 3% First Victory Loan Bonds have been called for payment on June 15th.

The Minister urged holders of the called issues to examine their investment requirements in the light of the announcement.

350 INVESTMENT DEALERS

The 1950 Refunding Loan will be offered to the public immediately through the facilities of some 350 investment dealers across Canada who are eligible to act as primary distributors and who in turn have appointed more than 8,200 sub-agents. They will also be available at any of the 3,600 branch banks in the ten Provinces. The books of the loan will be opened at Bank of Canada, Ottawa, on Thursday, May 18th for subscriptions by these investment dealers and by banks. The amount of subscriptions to be accepted for each maturity will be determined by the Minister of Finance on the closing of the books.

The method of offering the new issue is similar to that used for pre-war bond issues and for the War Loans of 1940, rather than to the Victory Loan campaigns in which the selling period lasted for three weeks or more. The Minister emphasized that there could be no guarantee given as to how long the books would remain open and he urged all interested investors to act promptly.

Bonds of both maturities will be available in bearer form with coupons attached and in fully registered form on which interest is paid by cheque. The coupon bonds may be registered as to principal if desired. Registration instructions, if any, should be given to salesmen at the time the order is placed.

Mr. Abbott announced that bonds would be delivered to purchasers in definitive form, not as interim certificates. As these definitive bonds will be delivered on or about June 15th, 1950, it is important that salesmen be told promptly what form of bond each purchaser desires and the denominations required.

The 2½% bonds are offered in denominations of \$500, \$1,000, \$5,000, \$25,000 and \$100,000. The 2% bonds will be available in denominations of \$1,000, \$5,000, \$25,000 and \$100,000.

MUSICAL SALUTE CHANGES: Naval Headquarters announced on May 12 changes in the musical salutes to be played by bands of the Royal Canadian Navy on certain formal occasions.

An arrangement of "O Canada" replaces "Rule Britannia" as the salute to the Chief of the Naval Staff, the Naval Board of Canada, Admirals of the Fleet, Admirals and Commanders-in-Chief.

The first and last two bars of the chorus of "The Maple Leaf Forever" will salute Vice-Admirals and Rear-Admirals of the R.C.N. and other officers as appropriate, replacing "Iolanthe".

For Commodores and equivalent officers and officials, the salute will be "C'est l'aviron qui nous mene en haut," instead of "Garb of Old Gaul". "C'est l'aviron" is an old Canadian paddling song.

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RCAF SUMMER TRAINING: More than 3300 Reserve members of the RCAF are expected to take active flying and ground training this summer, reporting to Air Force stations for periods ranging from 2 to 20 weeks, it was announced on May 12 by Air Force Headquarters.

Included will be approximately 1500 officers and men from the RCAF's 10 Auxiliary Squadrons, and almost 1000 university undergraduates, members of the Air Force Reserve. The summer training programme will also include up to 700 high school youths, who will be offered ground training with the Auxiliary Squadrons. This will be an extension of a scheme carried out experimentally on a limited basis last year, and designed to introduce suitable young men to the RCAF's Reserve.

Summer camps for the Auxiliary Squadrons will be held at Chatham, N.B.; Gravenhurst, Ont., and Gimli, Man., and each squadron will be allotted a two-week period. Training at Chatham is scheduled to commence May 27 and will run until July 7. Attending the camp will be 400 Squadron, Toronto, 401 and 438 Squadrons, Montreal, and No. 1 Radar and Communication Unit, Montreal.

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BORDER CROSSINGS UP: Highway traffic crossing the border between Canada and the United States was seven per cent greater in March than in the corresponding month last year. Canadian traffic returning from the United States continued to show greater proportionate gains than United States traffic entering Canada.

Border crossings during the month totalled 509,005 compared with 477,087 in March last year. United States vehicles numbered 327,914 as compared with 317,650, and returning Canadian vehicles totalled 181,091 as against 159,437.

(Continued from P.1)

MANITOBA FLOOD REPORT

evacuation has been prepared. The personnel of the various committees which would be required to implement this plan is already established. Zone commanders have been appointed for each evacuation zone, who would take charge immediately if the necessity arose. Emergency caches of food on both sides of the two rivers have been established to take care of the situation in the event of food warehouses being flooded. Stores of such essential materials as gasoline and motor oil sufficient to last for a considerable time in the future have been established on railway sidings in high and dry places. Emergency loading platforms have been established at high places for use in the event of mass evacuation, and lights have been prepared so that the evacuation may continue twenty-four hours a day if necessary.

"As an indication of the thoroughness with which arrangements have been made, it is interesting to note that arrangements have been made that bread, which is a perishable product, can be brought in on a day's notice from cities outside of Winnipeg. In order to bridge that one day gap, a day's supply of bread has been baked and frozen and is being held in cold storage. Not even that one day gap will be uncared for.

"All of this is the product of what I as a Manitoban can say without immodesty is a most amazing piece of co-ordination between the military and civil authorities. The military authorities are acting under provincial instructions and are co-operating to the greatest possible degree with the provincial authorities, the municipal authorities, the Red Cross and the various volunteer civilian flood relief committees which have been set up.

"One of the most inspiring spectacles we saw there was the Red Cross headquarters in Winnipeg, where they have three shifts of workers of between 400 and 500 each, who were operating flood lighting auxiliary services, when less than two weeks ago this service did not exist. Within that time workers in these three shifts have been brought together and placed in different branches to discharge different functions; chiefs and assistants and other ratings have been established in each branch, with the whole of this activity brought under central over-all control. All of this has been established within this short period of time; and in these three shifts there are only ten paid workers in all.

"Citizens and workers of every kind, businessmen, stenographers, teletype operators, chartered accountants, lawyers, doctors in the Red Cross medical units--all these citizens are taking part in this community effort and are giving almost the entire amount of their time and effort over long hours each day to fighting this flood.

"Upon the dikes themselves the work is being maintained and has been maintained from the beginning by literally thousands of volun-

teer workers. The figure has been given as 60,000, and while I would not want to say that it is that high, it is certainly well over 50,000. Men and women, boys and girls--some as young as twelve who work in carrying up coffee and food to the dikes--are making their contribution...."

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NATIONAL NOTES

The Progressive Conservative Party won two federal by-elections on May 15, retaining Toronto-Broadview, left vacant by the death of Thomas L. Church, K.C., and winning from the Liberal Party Hamilton-West, left vacant by the appointment of Hon. Colin Gibson to the Ontario Supreme Court. George Hees won the Toronto seat by a wide margin; Ellen Fairclough won in Hamilton by a narrow margin. She will be the only present woman Member of the House of Commons.

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A former Minister of Revenue, J. Earl Lawson, who was a member of the Bennett Cabinet, died in Toronto on May 14 at the age of 58. Since 1946 he had been President of the J. Arthur Rank Organization in Canada.

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The Minister of Trade and Commerce, Mr. Howe, left by air this week for London to conduct with British officials trade discussions, "covering a number of subjects, including wheat."

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The Canadian Manufacturers' Association on May 15, before the Parliamentary Committee on Old Age security, supported demands for a contributory old age pensions system, but opposed suggestions that the pensionable age be reduced from 70 to 65 years.

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THE PROVINCES

The Prince Edward Island Government, through its spokesman before the Royal Commission on Transportation, has recommended nationalization of the railways.

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Five representatives have been appointed by the Ontario Medical Association to a co-ordinating committee of the O.M.A. and the Ontario Hospital Association, to discuss a prepaid health plan of medical - hospital insurance.

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Presented with a 35-pound spring salmon in Vancouver, B.C., as a memento of his visit to British Columbia, Premier Smallwood of Newfoundland quipped: "Newfoundland is the only place where you can catch a real salmon."

In Edmonton, Alta., a 12-man team of specialists attempted the delicate feat of separating Siamese twins Brenda and Beverley Townsend. The operation was unsuccessful and the children died due, among other things, to their hearts having been enclosed in the same pericardial sac.

Premier Duplessis of Quebec announced on Saturday last that the Provincial Relief Committee had at that time received nearly \$100,000 in donations for the assistance of homeless persons in the fire-ravaged towns of Rimouski and Cabano.

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FLOOD, FIRES ASSISTANCE: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on May 17 that two federal-provincial fact-finding Commissions have been named to report on the financial aid needed to assist the areas of Manitoba and Quebec stricken by flood and fires, respectively.

The partial text of his announcement in connection with the Manitoba disaster is as follows:

"The Government of Canada has reached agreement with the Government of Manitoba to appoint a fact-finding commission, consisting of Mr. D. Bruce Shaw of the City of Winnipeg, investment banker, and Mr. J. B. Carswell of the City of Vancouver, engineer, to inquire into the nature and extent of the damage caused by the 1950 flood in the Red River Valley in Manitoba, the cost of fighting the flood and the providing of emergency relief required because of the flood, and of emergency precautions to guard against the recurrence of such flood conditions, in order to make available at the earliest possible date a complete statement of all the essential facts necessary to determine the amount of the grant which the federal Government should make to the Government of Manitoba in order to assist that Government in discharging its responsibilities in respect of the said flood."

A similar arrangement has been made with the Government of the Province of Quebec, the Prime Minister said, in which case the federal representative will be Brigadier A. Thériault of Quebec and the provincial representative, Mr. Edouard Laurent, Secretary of the Quebec Treasury Department.

The Acting Secretary of State for External Affairs, Mr. Claxton, announced that both the Canadian and United States Governments have asked the International Joint Commission to expedite recommendation for future control of the Red River.

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AVENGER AIRCRAFT ARRIVE: Naval Headquarters has announced that delivery has begun of Avenger aircraft purchased from the United States Government for the Royal Canadian Navy.

Four Avengers have arrived at the R.C.N. Air Station, Dartmouth, N.S., and the next batch is expected next week. The balance will follow at the rate of about eight or nine a week.

The Avenger, a standard carrier-borne anti-submarine aircraft in the United States Navy, will be employed in the same capacity by the R.C.N. The first squadron to be armed with these aircraft will be 826 Anti-Submarine Squadron of the 18th Carrier Air Group. Prior to this taking place, however, the Avengers are to be fitted in Canadian aircraft plants with additional anti-submarine equipment.

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BANK BALANCES IN BERLIN: The Department of External Affairs has been informed that special arrangements have been made for conversion of bank balances now held in the four sectors of the City of Berlin into prevailing German currencies by account holders who were United Nations nationals on October 1, 1949.

Applications for accounts held in banks in western sectors must be made directly to the bank by the account holder. Enquiries concerning accounts in eastern sectors of Berlin should be directed to the Department of External Affairs. All applications for conversion must reach Berlin prior to June 30, 1950, in order to avoid disqualification.

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CURRENCIES HELD IN GERMANY: The Department of External Affairs has been informed that there has been an extension of the time limit to June 30, 1950, for submission of applications for recognition of title by owners of non-German currencies or securities at present held in Germany.

Enquiries concerning the procedure to be followed in such applications should be directed to the Department of External Affairs.



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DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

CANADA ACCEPTS OEEC INVITATION: The Secretary of State for External Affairs, Mr. Pearson, announced on June 13 that Canada had accepted an invitation to become associated with the work of the Organization for European Economic Co-operation.

The invitation, received through the Canadian Ambassador in Paris, was contained in a letter dated June 7 addressed to the Minister from the Secretary-General of the OEEC. The Canadian Government's acceptance has now been communicated to the Secretary-General of the OEEC through the Canadian Ambassador in Paris.

Following is the text of the letter dated June 7, 1950, for the Secretary of State for External Affairs from the Secretary-General of the OEEC inviting Canada to associate with the work of the OEEC:

"I have the honour to inform you that the Council of the Organization for European Economic Co-operation at a meeting held at Ministerial level on 2nd June, 1950, have considered a proposal by the delegations of France and of the United Kingdom to give effect to the contents of a statement published in London on 18th May, 1950, by the Foreign Ministers of France, the United Kingdom, the United States of America and

Canada, concerning the association on an informal basis of Canada and the United States with the work of the Organization.

"I am directed by the Council to inform Your Excellency that they have unanimously agreed to endorse this proposal. Accordingly, I am instructed to invite your Government and the Government of the United States to associate themselves, on an informal basis, with the work of this Organization in accordance with arrangements to be mutually discussed.

"I have the honour to request you to be good enough to bring this invitation to the attention of your Government."

The text of the reply sent on June 10 by Mr. Pearson through the Canadian Ambassador in Paris is as follows:

"The text of your letter of June 7 has been brought to the attention of the Canadian Government.

"I am directed to ask you to inform the Council of the Organization for European Economic Co-operation that the Government of Canada gladly accepts the invitation of the Council to associate, on an informal basis, with the work of the Organization in accordance with arrangements to be mutually discussed."

OIL SEARCH IMPELS SURVEYS: The influx of prospectors and settlers into Yukon and the Northwest Territories and the widening search for oil in Alberta and Saskatchewan has led the Canadian Government to centre much of its legal surveying this year in the Far North and the West.

In the 1950 field programme announced by the Department of Mines and Technical Surveys, 11 of the 25 parties fanning out across Canada to survey federally owned or administered lands and to collect data for the preparation of aeronautical charts, will be assigned to these areas.

YUKON AND YELLOWKNIFE

They will operate in the Mayo area of Yukon and the Yellowknife district of the Northwest Territories surveying mineral claims to pave the way for the possible development of these claims and for the transfer of mineral rights. To accommodate the demand for legal surveys caused by the growing number of settlers, they will lay out lots, group lots, and townsites in and around Mayo, Whitehorse, and Teslin in Yukon, and the Hay River Settlement in Yellowknife. They will also survey group lots along the Alaskan Highway in response to a number of requests from groups of individuals who wish to erect tourist resorts at certain points along the highway in Yukon.

Oil developments in the West have made imperative the legal surveying of various sectors of provincial boundary lines and the subdivision of certain Indian Reserves. To enable provincial governments to deal with the granting of oil leases, two field parties will carry out surveys of boundary lines between the Northwest Territories and Alberta and between Alberta and British Columbia. Three parties will concentrate on subdividing Indian Reserves in Alberta and Saskatchewan into which the search for oil has spread.

Four parties will carry out surveys in the Columbia River Valley in British Columbia, one of the Manitoba-Ontario boundary and four of Indian Reserves in Manitoba, Ontario, and Quebec.

To make aeronautical charts as safe as possible for overseas airlines, one party will make a radar-altimeter survey of the Island of Newfoundland and those areas of Quebec and Labrador bordering the Gulf of St. Lawrence.

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OFFICIAL HANDBOOK "CANADA" Publication is announced of the 1950 edition of the Official Handbook CANADA. Initiated 20 years ago to supplement the field of the CANADA YEAR BOOK, it is especially designed for ready use by business men, teachers, students, lecturers, and all those interested in the progress of Canada. This convenient pocket-sized annual contains up-to-date official information on all phases of the country's economic organization,

Containing over 280 pages of text, more than 160 illustrations, including three pages of coloured reproduction, 100 statistical tables, as well as diagrams, charts and lithographed maps, this 20th edition is both attractive and readable.

A special article in this edition deals with the political evolution of Canada. The chapter material covers population and vital statistics, education, science and culture, public health and welfare services, national income, agriculture, forestry, mines and minerals, water powers, fisheries, furs, manufactures, construction, labour, transportation, communications, domestic and foreign trade, public finance, banking and insurance.

Price of the Canada Handbook is 25 cents.

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INTERNATIONAL TRADE FAIR: Illustrating the point that business can be conducted most effectively at the Trade Fair, regardless of distances separating buyer and seller, or of differences in language, is the story of the Venezuelan buyer who flew up to the Trade Fair, bought what he wanted, and flew back next day. Managing director of a Venezuelan steel plant, he had a problem in housing his workers near their work. At the Trade Fair, he found aluminum houses on display, and through an interpreter immediately ordered one hundred units, reports a Trade Fair release.

Top level representatives of United States industry and Government visited the Trade Fair on June 5.

The group included ten members of the American Trade Association Executives, headed by C.E. Boyd, President of A.T.A.E., representing the management of some 1200 business and industrial associations of the United States and Canada. Also visiting the Fair were Wayne Chatfield Taylor, assistant to the Administrator, E.C.A. and Director, Import Trade Promotion Division, E.C.A., Loring K. Macy, and E.E. Schnellbacher, Office of International Trade, U.S. Department of Commerce; and Col. J.M. Gage, Managing Director of the first United States Trade Fair, scheduled for Chicago next August.

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AUTO SALES AT PEAK: Sales of new motor vehicles, up sharply over last year from January to March, increased still further in April to reach a new postwar monthly peak and widen the margin of sales gain for the early months of the year. Passenger cars were responsible for most of the gain in the month as in the previous three months.

New vehicles sold in April totalled 36,406 as compared with 34,653 in March and 29,314 in April last year, an increase of 24 per cent in the year-ago comparison. Retail value for the month amounted to \$72,363,728 as against \$60,-856,368 for last year's April sales, an advance of nearly 19 per cent.

April sales brought the aggregate for the first four months of 1950 to 127,510 units with a retail value of \$254,443,573, up 56 per cent in number and 48 per cent in value over the corresponding period of 1949 when 81,507 new vehicles were sold for \$171,866,870.

New passenger car sales numbered 27,641 in April as compared with 20,764 a year earlier, an increase of 33 per cent, with the retail value at \$54,392,441 compared with \$42,523,598, showing a lesser rise of 28 per cent. In the four months, passenger cars sold totalled 99,108 as against 53,535 for January-April, 1949, and the aggregate retail value amounted to \$196,269,257 as against \$111,847,584, representing increases of 85 per cent in number and 75 per cent in value.

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PRAIRIE CROP REPORT: While some scattered showers and fair rains have occurred, the moisture situation in wide areas of Saskatchewan and Alberta has further deteriorated. Cool weather, however, has so far prevented any significant crop damage from lack of moisture. High winds over much of these two Provinces have seriously depleted surface moisture and soil drifting has caused considerable damage at local points. Wheat seeding is practically completed in Alberta and Saskatchewan with a small proportion of coarse grains remaining to be planted. In both Provinces better than average rainfall will be required in most areas from now on to promote development of a satisfactory crop, it is reported in the crop report of the Bureau of Statistics, under date of June 7.

In Manitoba, seeding is nearly completed in central and northern areas. Progress is variable in southern districts with planting in the flooded area just getting under way. Growth of early-seeded crops, as well as pastures, has been excellent.

Continuous high winds during the past week in Saskatchewan have seriously depleted surface moisture in all parts, except the extreme Southeast and portions of the Park Belt area. Soil drifting has caused considerable crop damage in local areas with five to 10 per cent reseeded necessary at some points. Seeding is almost completed except for about 15 per cent of the coarse grains. Rains received at many points at the end of this reporting period promise good recovery but surface moisture depletion has been so general that further early rains are required to promote growth.

Scattered showers and some fair rains on June 6-7 have improved immediate prospects over many parts of Alberta. Moisture supplies remain good in the Peace River district, in the extreme southwestern part of the Province and in parts of the west-central area west of the Calgary-Edmonton line. Southeastern Alberta, however, is still dry but little crop damage other than that occasioned by soil drifting is indicated thus far. Wheat seeding is completed throughout the Province and

coarse grains should be all in during the week commencing June 11. Grain crops generally appear to be in fair condition but hay crops and pasture are only poor to fair in most sections. The low level of subsoil moisture reserves and below-normal precipitation over much of the Province will be felt soon unless better-than average rains occur. Wireworm damage to wheat has been reported from the Lethbridge area and hatching of grasshoppers has commenced in several southern districts.

Seeding in Manitoba is nearing completion in central and northern areas, advancing in the south, and well started in the Red River Valley where the land is just now drying up.

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FRUIT CROP PROSPECTS: Prospects for the fruit crops in Canada this year as at mid-May vary considerably, depending on the locality and type, according to the Bureau of Statistics.

Judging by the bloom, the outlook for the orchard fruits in Nova Scotia, New Brunswick and Quebec is promising. On the other hand, strawberries in the heavy producing area of the Island of Orleans and Bellechasse county are expected to be reduced 50 per cent by winter injury.

Production in Ontario is still uncertain. The apple and peach crops are expected to be lighter than those of last year, while the condition of the other tree fruits is variable.

In British Columbia heavy winter injury has reduced the crop outlook considerably. All types of fruit trees show winter injury in varying degrees.

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FARM PRICE INDEX: Farm prices of agricultural products in Canada -- excluding Newfoundland -- increased in April over the preceding month, but were below April last year, according to index numbers compiled by the Bureau of Statistics. Increased prices were recorded in all provinces from March to April, but were below those of a year earlier in each province except Ontario.

This index number for all-Canada, on the base 1935-39=100, stood at 248.8 in April as compared with 246.0 for March and 250.9 in April last year. The index has shown a steady rise since January, and is largely attributable to rising livestock prices. Compared with a year ago, prices were lower for all products except livestock.

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CARLOADINGS: Carloadings on Canadian railways during the week ending June 3 rose to 78,985 cars from the revised total of 72,748 for the preceding week and 73,970 for the corresponding week last year. This year's cumulative total to June 3 was 1,552,259 cars as against 1,591,042 in the similar period of 1949.

WORLD WHEAT SUPPLIES UP: Supplies of wheat remaining at May 1 this year in the four major wheat exporting countries for export and carry-over at the end of their respective crop years amounted to 867,000,000 bushels, an increase of 118,000,000 bushels, or almost 16 per cent over last year's corresponding total of 749,000,000 bushels, according to the May issue of the wheat review by the Bureau of Statistics.

The gain was due, for the most part, to a rise in United States supplies to 505,000,000 bushels from 391,000,000 a year earlier. Supplies in Australia rose to 110,000,000 bushels from 92,000,000, but in Canada they fell to 172,000,000 bushels from 182,000,000, and in Argentina to 80,000,000 bushels from 84,000,000.

The outlook for the North American wheat crop is uncertain at this time. The May 1 crop report of the United States Department of Agriculture stated that U.S. crop prospects in general were less encouraging than on April 1. During May, however, weather and moisture conditions improved over much of the winter wheat belt and spring seeding made good progress except in the general area of the Red River Valley. Trade sources have suggested that the winter wheat crop might now go as high as 750,000,000 bushels.

DECLINE IN WHEAT ACREAGE

In Canada, the official report on seeding intentions at April 30 indicated a small decline in wheat acreage, although some sources consider that the extremely backward season in parts of the west, particularly in Manitoba, may cause a greater decline in wheat acreage than farmers anticipated at April 30. Current crop conditions in the Prairie Provinces are extremely variable. Seeding is now making good progress in most areas but moisture supplies are deficient in many sections, particularly in Alberta, while flood and excessive moisture have held up operations over parts of Manitoba.

In the Argentine, moisture conditions are variable, but seeding is progressing rapidly. An over-all increase in grain acreage is anticipated in response to price incentives offered by the Government. Trade circles consider that maximum wheat sowings will reach little more than 16,000,000 acres although the Government's goal exceeds 17,000,000.

Crop conditions in Europe with the possible exception of Spain are reported to be favourable with France in particular anticipating a good wheat crop -- placed by the trade at as much as 328,000,000 bushels. Her prewar (1935-39) average production was 286,000,000 bushels.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on May 25 amounted to 111,912,000 bushels as compared with 117,532,000 a week earlier, and 95,630,000 on the corresponding date last year.

ECONOMIC SURVEYS: The Department of Mines and Technical Surveys, Ottawa, is placing 11 geographical parties in the field this year to conduct investigations ranging from land use studies in central British Columbia to physiographic surveys on Southampton Island on the Northern part of Hudson Bay. In this work the Department's Geographical Branch field staff will be supplemented by personnel from the geography departments of Canadian universities.

An economic study of grazing lands in central British Columbia will be completed. Large cattle and sheep ranches are located in this region from Kamloops to Prince George, and the study will provide information that might prove of value in determining how full use may be made of this land. The survey, commenced in 1947, will be conducted by Professor Thomas Weir of the University of Manitoba.

Professor B. Zaborski of McGill University, will make a survey of the influence upon occupation, settlements, population and social conditions of mineral and oil developments in the Edmonton - Lesser Slave Lake area.

Brooke Cornwall of the University of British Columbia will make an economic geographical survey of the Vancouver, Westminster, and Victoria areas and of the southern coast of British Columbia.

LABRADOR AREA SURVEY

Pierre Gadbois will conduct an economic geography survey in the Labrador area. Starting out from Goose Bay his party will investigate the comparatively unexplored Mealy Mountain region.

Using a 35-ton fishing schooner, with a 3-man crew, a party headed by W.A. Black of the Geographical Branch will make a resources utilization study of coastal Labrador. Of particular interest are the geographical aspects of the fishing industry.

Dr. D.F. Putman, University of Toronto, will investigate the extent of resources and current land use patterns in north-eastern Nova Scotia.

Professor L. Reeds of McMaster University will make a similar study in the Avalon Peninsula of Newfoundland.

Professor W. Wonders, University of Toronto, will study the economic geography of settlements along the railway belt in western Newfoundland.

Professor and Mrs. J.B. Bird, geographers from the University of Toronto, will study the physical geography of the western portion of Southampton Island in the northern part of Hudson Bay.

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CANADA-U.S. TAX AGREEMENTS: Two agreements were signed in Ottawa on June 12 between Canada and the United States, amending the existing Tax Conventions in the fields of income tax and succession duties. At the ceremony, the Minister of Finance, Mr. Abbott, signed for

Canada while Mr. Julian F. Harrington, Chargé d'Affaires of the United States Embassy in Ottawa, signed on behalf of his country.

The Conventions, signed on June 12, contain a series of provisions designed to improve and clarify the present agreements which have been in force between the two countries for some years. In certain directions the principles established in the original Conventions have been extended. Modifications have been introduced to alleviate severity where the overlapping of tax laws of the two countries involves hardship.

The two amended agreements will be effective upon approval by Parliament and ratification by the United States Senate.

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URGES ST. LAWRENCE DEVELOPMENT The Prime Minister, Mr. St. Laurent, in an address on June 11 at a Convocation at St. Lawrence University, Canton, N.Y., where he received an Honorary Doctor of Laws degree, said that Canadians are "getting rather impatient" over the delay in starting the St. Lawrence waterway and power project.

After reviewing the history of international conflict in the St. Lawrence Valley for two centuries following the settlement of the continent, he recalled that the first great landmark in the development of genuine peace between the United States and Canada was the Rush-Bagot Convention of 1817 Disarmament, however, despite its importance, was really a negative step. In 1909 the two countries took an important positive step in the Treaty relating to boundary waters, which established an International Joint Commission.

Mr. St. Laurent then proceeded with his reference to St. Lawrence development as follows:

"The Joint Commission was established primarily to deal with matters relating to the boundary between our two countries, and particularly to the waterways which form so large and important a part of that boundary and those other streams that flow back and forth across that boundary.

"Those of us who live in the St. Lawrence Valley and the basin of the Great Lakes have an especially keen interest in the beneficial use of boundary waters. I am sure all of us hope that we are really approaching the day when we can start to make full use of the Great Lakes and St. Lawrence system both for navigation and power. I know we in Canada are getting rather impatient about the delay. From end to end of Canada there is an overwhelming feeling that a development which will strengthen and enrich this whole St. Lawrence area will benefit all parts of the continent.

"I said we in Canada were getting rather impatient. After all, it is eighteen years since the first agreement which we were ready to carry out failed to get sufficient support in your Congress; and it is nine years since we made the second agreement. Our need in Canada is urgent; particularly for more elec-

trical energy. If the Niagara Diversion Treaty can be ratified quickly by your Senate, that will help; but both countries need, and we in Canada certainly want to get ahead with the larger scheme. . ."

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SECOND ICAO COUNCIL. The Fourth Session of the International Civil Aviation Organization's Assembly, now being held in Montreal, on June 10, elected twenty nations to form the second ICAO Council. The Council, the Organization's executive body, which meets in virtually continuous session in Montreal, is elected for a three-year term; choice of the first Council was made in 1947.

Among the many duties of the Council are included the adoption of international standards and recommended practices for air navigation, the collection, examination and publication of information relating to the advancement of air navigation and the operation of international air services, the study of matters, affecting the organization and operation of international air transport, and the investigation of situations which may appear to present avoidable obstacles to the development of international air navigation.

Nations elected to the Council were:

Argentina, Australia, Belgium, Brazil, Canada, Denmark, Egypt, France, India, Iraq, Ireland, Italy, Mexico, Netherlands, Philippine Republic, Portugal, Union of South Africa, United Kingdom, United States of America, and Venezuela.

On June 6, ICAO and the Assembly was informed in a communication from the Secretary of State of the United States, that the Republic of China has decided to "withdraw" from the Convention on International Civil Aviation signed at Chicago in 1944 and, as a result, from the Organization itself. The notification of China's withdrawal was signed by the Chinese Minister for Foreign Affairs, George K.C. Yeh and delivered to the United States Government by the Chinese Ambassador in Washington, V.K. Wellington Koo, in accordance with Article 95 of the ICAO Convention.

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RAIL REVENUES AT NEW PEAK: Operating revenues of Canadian railways in March reached a new record total for the month at \$78,092,000, showing an increase of \$3,767,000 or five per cent over the corresponding month last year. Operating expenses fell slightly from \$70,612,000 last year to \$70,556,000, and the operating income rose from \$1,315,000 a year earlier to \$5,299,000.

First quarter operating revenues aggregated \$204,828,000 as compared with \$207,279,000 in the same period of last year, while operating expenses totalled \$199,439,000 as compared with \$203,696,000. The deficit on operations during the quarter was \$1,597,000 as compared with \$4,016,000

HALF CENTURY'S HEALTH PROGRESS. A 20-year increase in the average life expectancy of Canadians since 1900 is one indication of the tremendous health progress in this country during the first half of the twentieth century, the Minister of National Health and Welfare, Mr. Martin, told the annual meeting of the Greater Vancouver Health League on June 18.

The first 50 years of the century have also shown a one-third reduction in the general mortality rate, he said, while during the past 25 years the infant mortality rate has been cut 50 per cent and the maternal mortality rate by 60 per cent.

In discussing Canada's half century of health progress, Mr. Martin enumerated many of the discoveries of medical science -- the sulfa drugs, insulin, antibiotics, radium, mass x-rays and immunization, cortisone and ACTH -- which are helping to conquer illness. Through improved medical knowledge and better facilities, the T.B. rate has declined by 80 per cent since 1900. Among Indians and Eskimos it has decreased approximately 40 per cent in the past six years. Venereal disease has been cut by 40 per cent in the last five years and immunization has reduced the diphtheria death rate by 80 per cent in the past quarter-century.

This year, said the Minister, it is estimated that more than \$200,000,000 will be spent on public health care and hospitals by all governments in Canada.

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AIR FORCE DAY CONGRATULATIONS: Congratulations to all ranks of the Royal Canadian Air Force on its fourth annual Air Force Day, noted across Canada Saturday, June 10, have been received by Air Marshal W.A. Curtis, Chief of the Air Staff, from General Hoyt S. Vandenberg, Chief of Staff, United States Air Force.

The text of General Vandenberg's message follows:

"I am very happy to extend the congratulations of the United States Air Force and its personnel to you and to the Royal Canadian Air Force on its Fourth Annual Air Force Day. May our close and friendly association continue in the future as it has in the past and may it prove a worthy example for the other freedom loving peoples of the world."

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STORE SALES UP: Department store sales rose three per cent in May over the corresponding month last year, according to preliminary figures. Gains were recorded in all sections of the country except Manitoba and Saskatchewan. Largest gain of six per cent was shown in Quebec, followed by the Maritimes and Ontario with advances of five per cent each, Alberta four per cent, and British Columbia three per cent. Sales in Manitoba were down eight per cent, and in Saskatchewan five per cent.

1951 INTERNATIONAL TRADE FAIR: Toronto, June 9 -- With this, (June 9) the final day of the Third International Canadian Trade Fair remaining to transact business, reservations are already pouring in for exhibitors wishing to book space for the Fourth Fair to be held in 1951. The Trade Fair again next year will be held in Toronto with additional facilities to cope with the ever-expanding physical nature of the world market place.

"It is gratifying to learn of the many satisfactory sales of products, according to statements by exhibitors who have been displaying during the last two weeks," Glen Bannerman, Director of the Canadian Government Exhibition Commission, Department of Trade and Commerce, said on the eve of the final day.

"I cannot help but regard the exhibitors at this International Trade Fair as gentlemen adventurers of the same breed who played such an historical part in the early development of Canada's trade with the rest of the world," added Mr Bannerman

Reservations indicate that space will be at a premium, according to R.H. Layton, Trade Fair Administrator, commenting on the initial groundwork now being laid for the 1951 show. (The Trade Fair News)

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INDUSTRIAL EMPLOYMENT UP: Industrial employment showed a moderate expansion at the beginning of April, reversing the downward movement indicated since October 1 last. The rise was accompanied by an increase in weekly payrolls, and average weekly earnings advanced to a new all-time high figure. The improvement in employment was contra-seasonal in character according to the experience of the period since 1920, during which generally increased activity was reported at April 1 on only six prior occasions.

The index number of employment, on the base 1926=100, stood at 187.6, up one point from the March figure of 186.6, and unchanged from April 1 last year. Payrolls rose 0.9 per cent during the week ending April 1 over March 1, and 3.6 per cent over April 1 last year. Average weekly earnings at \$44.87, exceeded by 2.9 per cent the per capita figure for March 1, and were 3.5 per cent above April 1, 1949.

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DEFENCE RESEARCH BOARD: Two new Defence Research Board appointments, Dr. Alan Emerson Cameron of Halifax, N.S., and Brigadier F.C. Wallace of Georgetown, Ont., were announced by the Minister of National Defence, Mr. Claxton, on June 12.

The new Board members are replacing Dr. G.M. Shrum, head of the Physics Department, University of British Columbia, and Dr. J.H.L. Johnstone, head of the Physics Department, Dalhousie University, whose terms have expired. Appointments to the Board are for periods of three years.

REDUCED TRADE DEFICIT WITH U.S.

SMALL DEFICIT WITH U.K.: Canada's customary trade deficit with the United States was again sharply below last year's level in April as the result of expanded exports and decreased imports, while for the second successive month Canada had a small debit balance in commodity trade with the United Kingdom. In trade with all countries, there was an adverse balance in April for the fourth successive year.

Imports from the United States in April declined to \$162,200,000 from \$177,300,000 a year earlier, while domestic exports to the United States increased to \$137,800,000 compared to \$110,700,000 and foreign exports were unchanged at \$1,500,000. As a result, the debit balance for the month fell to \$22,900,000 as against \$65,100,000 for April last year.

For the four months ending April, the cumulative value of domestic exports to the United States was \$96,000,000 above the aggregate for the corresponding 1949 period, rising to \$551,800,000 compared to \$455,800,000, while foreign exports increased to \$8,000,000 from \$6,200,000. Imports from the United States in the period decreased to \$620,700,000 from \$659,900,000. The aggregate adverse balance for the four months thus fell to less than a third the figure for the four months last year, amounting to \$60,900,000 as compared to \$197,900,000.

In contrast with gains in the first three months of the year, imports from the United Kingdom declined slightly in April to \$29,500,000 as compared to \$30,100,000 in April last year. Domestic exports to the United Kingdom, however, were down sharply to \$25,800,000 from \$63,000,000. Allowing for the

small amount of foreign exports, there was a debit balance of \$3,600,000 in the month with the United Kingdom as compared to a credit balance of \$33,400,000 a year earlier, and a small debit balance of \$2,400,000 in March this year. Credit balances totalling \$28,100,000 were recorded in January and February, however, making a credit balance for the four months ending April of \$22,100,000, down from \$96,600,000 in the corresponding 1949 period.

Total imports from all countries in April were valued at \$230,900,000, down moderately from \$237,400,000 for March and below last year's April value of \$242,700,000. Domestic exports to all countries -- as earlier reported -- decreased in value to \$205,500,000 as compared to \$228,200,000 for March and \$237,800,000 for April, 1949, while foreign exports stood at \$4,200,000 as against \$3,500,000 and \$2,500,000, respectively. The result was an adverse overall balance of \$21,200,000 as compared to debit balances of \$5,700,000 for March and \$2,400,000 for April last year. It was the fourth successive year that a debit balance has been shown for April.

For the four months ending April, total imports also exceeded total exports, the aggregate value of imports amounting to \$880,400,000 as compared to \$854,400,000 for domestic exports and \$12,300,000 for foreign exports. The resultant adverse balance of \$13,700,000 for the period compares with an adverse balance of \$3,000,000 for the like period last year.

In contrast with an unusual debit balance in March, Canada had a small credit balance in April with Commonwealth countries other than the United Kingdom as well as with foreign countries other than the United States.

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"MAGNIFICENT" TO EUROPE: Rear-Admiral E.R. Mainguy, O.B.E., R.C.N., will command, as Flag Officer, the Canadian Special Service Squadron, consisting of the aircraft carrier Magnificent and five destroyers, which will sail from Halifax in late August on a three-month cruise to Europe, Naval Headquarters announced on June 13.

Rear-Admiral Mainguy, at present Flag Officer Atlantic Coast, with headquarters in Halifax, will embark in HMCS Magnificent at Londonderry, Northern Ireland, in mid-September and will fly his flag in the carrier for the balance of the cruise.

Londonderry will be the first port of call for the Canadian group, and there the ships and the Magnificent's air squadrons will carry out two weeks' intensive anti-submarine training at the Joint Anti-Submarine Training School

operated by the Royal Navy and Royal Air Force.

On leaving Londonderry, the Canadian ships will visit a number of ports on the European continent.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on June 1 amounted to 108,464,500 bushels as compared with 111,911,700 a week earlier, and 89,319,100 on the corresponding date last year.

Overseas export clearances of wheat during the week ending June 1 amounted to 4,144,800 bushels as compared with 5,349,400 in the corresponding week last year, bringing the cumulative total for the crop year to date to 135,406,100 bushels against 139,159,200 in the similar period of 1948-49.

THE WEEK IN PARLIAMENT

INITIAL \$12,500,000 FLOOD GRANT: The Minister of Finance, Mr. Abbott, announced in the House of Commons on June 9 that the federal Government will make an initial payment of \$12,500,000 to assist the Manitoba Government in the work of flood rehabilitation.

Mr. Abbott tabled an interim report by the federal-provincial Commission investigating flood damage which tentatively set the total cost at \$26,631,880. This was subject to further detailed investigation and excluded intangibles, personal effects and crop losses.

The partial text of the Minister's announcement is as follows:

"...In the light of the facts disclosed in this report the Government has decided to include in the supplementary estimates, which I hope will be tabled within the next week or ten days, an appropriation for \$12,500,000 as an initial payment to the Government of Manitoba to assist it in discharging the obligations which it will have to carry out as a result of the flood damage.

In addition, hon. members will see from the report that the Committee has suggested that in the urban areas of Winnipeg certain emergency diking measures might be developed in order to prevent a recurrence of these floods. As was the case in the Fraser Valley, the Dominion Government of course would participate on the basis of 75-25 in the costs of such works, if it is decided to proceed with them; and in the supplementary estimates an appropriate amount will be included to cover an estimate of what might be required in that connection in the forthcoming period."

Mr. Abbott flew out to Manitoba last week to view the scene and discuss matters with the Commission and Manitoba Government.

The Government will provide compensation totalling \$1,222,829 to 1,300 Canadians of Japanese origin who resided in British Columbia in 1941 and whose property was deemed to have been disposed of by the Custodian of Alien Enemy Property at prices less than the fair market value, it was announced in the House of Commons by the Minister of Justice, Mr. Garson, on June 13.

The Minister of Agriculture, Mr. Gardiner, announced in the House of Commons on June 13 that the Government will continue price support on bacon beyond the previously announced termination date of June 30.

DEFENCE OF THE NORTHWEST: The experience of Exercise Sweetbriar was that Canadian and United States forces available for defence of the Northwest are sufficiently great to deal with an attack on the scale that might be anticipated as part of a total war, the Minister of National Defence, Mr. Claxton, said in the House of Commons on June 9 during consideration of departmental estimates. His statement on this point was as follows:

Mr. Claxton: The defence of our northwest must be considered in conjunction with the defence of Alaska. The experience of Exercise Sweetbriar was, I believe, that with the forces we have and the forces planned by the United States for Alaska, in the opinion of my advisers our forces are sufficiently great to deal with an attack on the scale that might be anticipated as part of a total war.

Mr. D.S. Harkness, Progressive Conservative, Calgary: I wonder if the Minister means that they would be sufficient to deal with an attack along the Alaska Highway. If there happened to be an attack at the same time on Gander, Churchill or some place else, have we sufficient forces to deal with all of them?

Mr. Claxton: If the hon. member wants to go on and name a third, fourth, fifth and sixth, of course I cannot follow him because this is a matter of opinion. War is a very uncertain business, and he knows that just as well as anyone else in the House. One also has to be cautious about expressing views as to the safety or security of any place at any time. I have avoided doing that, and I will continue to do so because it is not realistic to do it. All I can say is that on the basis of advice from the people with whom I deal we think a sufficiently large part of the defence dollar is being spent on immediate local self-defence either in the navy, army or air force. Of course we are not satisfied with the condition, and we are going to improve it steadily as a part of the programme. Nevertheless, having regard to the amount of \$425 million made available today, our view is that we spend a sufficient proportion in our own local defence so far as money, personnel and equipment are concerned.

The House of Commons, on June 13, approved the Convention of the World Meteorological Organization signed at Washington in October, 1947.

Parliament is expected to prorogue at the end of June, according to press speculation.

FIFTH SESSION, GENERAL CONFERENCE OF UNESCO

MR. DÉSY'S ADDRESS: Following the example of the enlightened patrons who made the City of Florence one of the gems of civilization, "let UNESCO be the instigator of a new Renaissance," Mr. Jean Désy, Head of the Canadian Delegation, said at the opening of the Fifth Session of the General Conference of UNESCO in Florence.

After congratulating the Director General, Dr. Torres Bodet, for "the leadership he has shown in the conduct of UNESCO affairs," Mr. Désy discussed its programme, in part, as follows:

"The programme which he (Dr. Torres Bodet) has put before us indicates clearly a desire for contraction and co-ordination. It rightly gives pride of place to the exchange of information between countries. This intermediary and interpretive function of UNESCO is indeed its most important, and I am pleased to see that it has first priority in all parts of the programme. For this reason I consider the draft resolutions dealing with exchanges of persons and concerning the advancement of the social sciences in those countries where they are still immature as particularly worthy of approval. Proposals such as these, which strengthen friendship between peoples, deserve support. An essential step in securing peace is to lay the foundations of international co-operation and intellectual understanding.

OTHER PROPOSALS

"Other proposals, however, could with advantage be postponed. It does not seem to me essential to our task to publish monographs on free and compulsory education, to put out popular scripts for the radio, to produce film strips or slides for the use of lecturers, to trace the constitutional development of the specialized agencies, or to collect photographs supplied by scientific or industrial organizations. There are too many urgent tasks demanding our attention for us to dally with jobs of this nature.

"The Canadian Delegation would also be glad to see the deletion of several other projects. For instance, I wonder what artists have to gain by proclaiming their rights in a declaration which would, after all, be merely an abbreviation of the Universal Declaration of Human Rights. As for the establishment of an international institute of the press and information, this scheme has received so little support up to the present time that we need only forget it. Instead of competing with well-established agencies, UNESCO would find it more profitable to make use of the studies which they have already completed. In the field of the natural sciences, for instance, the records collected by the International Council of Scientific Unions and the International Centre of Documentation could be of

great assistance to UNESCO. It would be wrong to duplicate the work of private organizations which, in certain fields of research, can carry out projects more efficiently. The Organization would do better to make use of the facilities which these bodies would willingly make available to it on request.

"It is a pleasure to note that UNESCO maintains close relations with the United Nations, the Economic and Social Council, and with other specialized agencies. If this co-operation were to take a more active form, it would, in a great many instances, obviate overlapping and permit a more rational use of the means at UNESCO's disposal. For example, the studies on the methods of international co-operation which were undertaken by the Department of Social Sciences should be entrusted to the U.N. Secretariat, which has already published a comparative tabulation of the rules of procedure of U.N. Commissions. Furthermore, the General Assembly has directed the Interim Committee to make similar enquiries in the political field. I note, moreover, that the Co-ordinating Committee of the Economic and Social Council has not yet defined clearly the respective functions of the various specialized agencies with regard to the education of handicapped children. It is not incumbent on UNESCO to go ahead without consulting the other interested organs of the U.N. Its sphere of duties is quite large enough without its being tempted to encroach on those of its neighbours.

UNESCO MACHINERY

"Then again, there is room for improvement in the working of the UNESCO machinery. The multifarious sessions of the General Conference put a heavy tax on a staff which is unstable, taken on as it is for short periods and constantly changed. In order to ease in some degree the heavy burden which is entailed by holding conferences far from the headquarters of the Organization, while the regular business rests in abeyance, it would be preferable to hold alternate sessions in Paris. And yet, notwithstanding these difficulties, which do not appear insuperable, correspondence should not hang fire. The Canadian Government was anxious to consult scientific and educational groups with regard to the draft resolutions which the Executive Board intends to place on the agenda. The fact is, however, that these working papers arrived too late for the competent authorities of my country to consider them thoroughly before discussing them with the representatives of private associations. In view of the fact that these delays occur regularly, I should like to ask the branches concerned to see to it that they are not repeated."

NATIONAL NOTES

The Department of Transport will launch an investigation into the collision on June 10 between a Canada Steamship cruise ship carrying 350 passengers and an Italian freighter, Maria Paolina G. The cruise ship was badly damaged and 25 passengers suffered cuts and bruises. The vessels collided at the mouth of the Saguenay River during a thick fog.

Most of Winnipeg's recently flooded areas are now reported to be dry and householders are back into many homes, once flooded above the first floor. The level of the Red River was reported on June 13 to be back to 14.8 feet.

Delegates from 15 countries voted in Ottawa on June 13 to recommend a change in the name of the Empire Press Union to Commonwealth Press Union.

Believed to be the largest photograph ever produced in Canada -- a huge mosaic of the Winnipeg flood area taken by the RCAF -- is being displayed in the House of Commons. The picture is 55 feet long by 10½ feet high.

LATE CROP REPORT: Wheat seeding is completed in the Prairie Provinces except in a few areas, the Bureau of Statistics reported on June 13. Growth has been rapid in Manitoba, for the most part; prospects in Saskatchewan have improved materially as a result of rains; crops in Alberta are generally fair.

FARM INCOME DOWN SLIGHTLY: Cash income of Canadian farmers from the sale of farm products in the first three months of this year amounted to \$407,586,000, according to an estimate by the Bureau of Statistics. This was two per cent below the first-quarter estimate of \$415,931,000 for 1949, but six per cent above the \$383,359,000 for the first three months of 1948.

Cash income from the sale of field crops, at \$113,290,000, was eight per cent below the estimate for the same period of 1949. This decline can be partly explained by smaller marketings and lower prices for coarse grains and flaxseed. Under present coarse grain marketing regulations in the Prairie Provinces, producers are paid at the time of delivery only on initial price per bushel, a price which was lower during the first quarter of this year than for the same period of 1949. Any surpluses accumulated by the Canadian Wheat Board through the sale of these grains during the crop year 1949-50 will be shared with the grower after the close of the season.

In addition to the 1950 decline in marketings and prices, oats and barley equalization payments in 1949 helped to maintain last year's estimate above that of 1950.

Income from the sale of livestock at \$182,-355,000 during the first quarter of this year was nearly seven per cent above that of a year ago. With the exception of hogs, prices were higher for all livestock. Apart from sheep, marketings also increased. Income from the sale of dairy products was down to \$59,-046,000 from \$62,172,000.

PRODUCTION

Creamery butter production was lower in May and the first five months of this year than in the corresponding periods of 1949. The month's output declined to 28,616,000 pounds from 31,987,000, and in the five months to 78,-791,000 pounds from 81,865,000.

Production of margarine during May increased to 8,019,000 pounds from 7,190,000 in the preceding month and 7,200,000 in the corresponding month last year. The cumulative total for the first five months of this year rose sharply to 42,922,000 pounds from 26,-259,000 in the similar period of 1949.

The synthetic textiles and silk industry operated at a substantially higher level in 1948 than in the preceding year. The gross value of production, amounting to \$107,142,000, rose sharply over the preceding year's total of \$84,870,000, and was four and one-half times higher than pre-war 1939.

EMPIRE PRESS UNION: The following is an excerpt from the address of the Minister of Transport, Mr. Chevrier, before the meeting of the Empire Press Union Conference, in Ottawa, on June 14:

"It has been said that the main mission of the press is to interpret people to each other, and races to each other, and classes to each other. I know you will all agree that that mission would be more easily accomplished if throughout the world today the despatch of news was free and unfettered. Had we in these unsettled times the right to send news everywhere and the right to pick up news everywhere, I firmly believe we would have one of the strongest deterrents to war.

"The Empire Press Union has a common interest in a great profession and a particular concern in Commonwealth relations. The contribution you are making in binding this great family of nations in closer ties is unquestionably also a notable contribution to the cause of world peace.

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WEEK'S EVENTS IN REVIEW

AMBASSADOR OF THE UNITED STATES: The Department of External Affairs announced that the Honourable Stanley Woodward, on June 22, presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

The Secretary of State for External Affairs, Mr. Pearson, was present. Mr. Howard Measures, Chief of Protocol, presented Mr. Woodward to His Excellency the Governor General. Mr. Julian F. Harrington, Minister Plenipotentiary, Mr. Woodbury Willoughby, Counsellor of Embassy for Economic Affairs, and Colonel Jack C. Hodgson, Senior Military Attaché and Air Attaché, accompanied the Ambassador.

Before taking up his present duties, Mr. Woodward was Chief of Protocol at Washington. He is a distinguished career officer of the Department of State of the United States. He has served in the Foreign Service of his country in Geneva, Brussels and Port-au-Prince. He succeeds the late Mr. Laurence A. Steinhardt who died in an airplane accident on March 28, 1950.

CROPS GENERALLY FAVOURABLE: Conditions in Alberta remain very dry with rainfall received since April 1 now only one-half of normal. Crops are holding in fair condition as yet in most areas but deterioration has started in central and south-central sections. Crop growth has been generally satisfactory in Saskatchewan as a result of warmer weather and some rain during the past week. Moisture conditions are favourable in the south-eastern and south-central districts but elsewhere rainfall has been light and is needed in parts of south-western, central, and west-central and northern regions. In Manitoba moisture is ample to excessive and all seeded crops, hay and pastures are growing rapidly. Some seeding is still being done in areas where heavy rains and flooding delayed operations.

In Manitoba the crop outlook is promising. Growth of grain crops and hay and pastures has been rapid during the past week.

Crop growth has been generally favourable in Saskatchewan as a result of warmer weather and recent rains.

Little or no relief from the drought occurred in Alberta this past week.

TOP NAVAL APPOINTMENTS: Appointment changes involving four senior R.C.N. officers and affecting three of the top administrative posts of the Royal Canadian Navy were announced on June 16 by the Minister of National Defence, Mr. Claxton.

Rear-Admiral Harry G. DeWolf, C.B.E., D.S.O., D.S.C., R.C.N., 47, of Bedford, N.S., who has been Flag Officer Pacific Coast since September, 1948, will take up the appointment of Vice Chief of the Naval Staff at Headquarters on September 11.

He will succeed Rear-Admiral Frank L. Houghton, C.B.E., R.C.N. 52, of Ottawa, Vice Chief of the Naval Staff since September 1, 1947, who will proceed on retirement leave early in September.

Rear-Admiral DeWolf will be succeeded as Flag Officer Pacific Coast by Rear-Admiral Wallace B. Creery, C.B.E., R.C.N., 50, of Vancouver and Ottawa. Rear-Admiral Creery at present holds the appointment of Chief of Naval Personnel at Headquarters. He will take up his new duties August 30.

Captain James C. Hibbard, D.S.C., and Bar, R.C.N., 42, of Hemison, P.Q., and Victoria, has been appointed to succeed Rear-Admiral Creery as Chief of Naval Personnel on August 5 and will be promoted to the rank of acting commodore on the same date. Captain Hibbard is currently taking advanced staff courses.

Both Rear-Admiral DeWolf and Captain Hibbard will serve as members of the Naval Board when they take up their new appointments.

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JOBS FOR HANDICAPPED: A total of 3,312 jobs for persons with physical handicaps were found by the Special Placements Division of the National Employment Service during the five-month period from December 15, 1949, to May 13, 1950, it was announced on June 15 by the Minister of Labour, Mr. Mitchell.

Of the total number of placements made, 2,320 were for handicapped men and 992 for women. Included in these figures were 924 jobs for ex-servicemen and women with disabilities.

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TEST ALUMINUM ARMY HUT: With the testing of a new prefabricated aluminum hut at two points in the far north this winter, the Army's search for a lightweight, easily constructed barracks for troops in the Arctic might be successful.

The hut, third to be developed by the Army in four years, has been designed for economical heating at temperatures as low as minus 65 degrees and to withstand winds up to 100 miles per hour with gusts to 125 miles per hour. In the model to be tested, production costs have been halved and the overall weight has been considerably reduced. Authorities believe the hut is just what they've been looking for.

Two will be tested this year. One is being sent to the meteorological station at Alert Bay on Ellesmere Island.

The second test will be a technical trial at the Donjek River on the Northwest Highway System in conjunction with the National Research Council.

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OPERATION "WHIPSTOCK": An air defence manoeuvre known as Operation "Whipstock" is to be carried out in the United States Pacific Northwest and over southern British Columbia June 18 to 24, it was announced simultaneously in Ottawa and Washington on June 16. The exercise will be similar to one held in the same area last November.

United States Air Force fighter, bomber and radar defence units will be joined by similar reserve, Air National Guard and Royal Canadian Air Force Reserve units in carrying out the training manoeuvre. It is also expected that naval units of the United States Western Sea Frontier and units from the American Sixth Army and 12th Army Group will participate in the exercise.

The United States Continental Air Command will be charged with the overall command of the operation which is designed to provide training for units of the American Western Air Defence Force. Strategic Air Command will plan and direct operations of the American medium and heavy bombers which will simulate opposing forces.

Canadian participation in the exercise will be by 442 Reserve Squadron, Vancouver, B.C., which will operate in close co-operation with USAF units in the area. The RCAF squadron will carry out radar plotting, marking the approach of bombers into the area, and the squadron's Vampire jet fighters will fly mock interceptions.

United States Air Force participation will include the Western Air Defence Force, Hamilton Air Force Base, California; 25th Air Defence Division, Silver Lake, Washington; 505th Aircraft Control and Warning Group, Silver Lake, Washington; 325th All-weather Fighter Wing, McChord AFB, Tacoma, Washington; 81st Fighter Interceptor Wing, Moses Lake AFB, Washington; and the 60th Fighter Wing of the Air National Guard which includes units from Washington, Oregon, Montana and Idaho and opposing forces as provided by Strategic Air Command.

U.S. Air Force and naval reserve units in the area will also take part to the extent that planes and personnel are available.

The defence area for the exercise will include the State of Washington, northern parts of Oregon, and Idaho, and western Montana.

Bomber penetrations in this area may come from any direction but will be at altitude of more than 20,000 feet. Because of this no ground observers will be utilized.

American army and navy units will work in conjunction with the Western Air Defence Force as anti-aircraft artillery units of the army and radar picket vessels of the navy take part in the exercise.

MR. PEARSON ON CANADA-U.S. RELATIONS

AT STANFORD UNIVERSITY: The cordial relations between Canada and the United States should not be misconstrued as meaning that Canada is moving inevitably and happily into union with the United States, the Secretary of State for External Affairs, Mr. Pearson, said in a commencement address at Stanford University, Stanford, Cal., on June 18.

After discussing with the graduates their own future careers and responsibilities in the light of the transfer in large measure to the North American continent of the centre of world power, he touched upon Canada's good relations with the United States, speaking in that connection as follows:

"Of course, we in Canada have our complaints about the United States, one of which is that, for some unaccountable reason, you have attracted so many of our best people that by now there must be hundreds of thousands of Canadians in California alone, where they seem to prosper rapidly and assimilate easily, and, so far as I can gather, become without great difficulty movie stars, bank presidents and university heads (I put these occupations in inverse order of repute!)

OUTSTANDING EXAMPLE

"An outstanding example of this larceny by you of our human resources is, of course, your own President. I recall him first as a stalwart University of Toronto freshman. At that time, I was doubling as a history professor and a football coach (we have to organize our resources very carefully in Canada). I spotted young Sterling as a potentially great lineman. He became one and where he planted his feet no opposing ball carrier passed. I thought also that he might, with diligence, become a good historian, but I never dreamed that he would migrate to the Presidency of this great University. This loss to Canada temporarily cast a shadow over our relations with you, and we considered for a time throwing up an academic curtain along the border! But wiser counsels prevailed, we swallowed our pride, and Canadian-American relations remained the model of what relations should be between states.

"That relationship, however, should not be misconstrued as meaning that Canada is moving inevitably and happily into union with the United States. That is not true. We are quite content with our present position of independence inside our Commonwealth of Nations. We are also willing and anxious to accept responsibility for the economic, political, and social development of the northern half of

this continent. We may, of course, be wrong, but somehow or other we feel that our political and social and legal institutions are better, for us, than yours would be. We move at a somewhat slower tempo in Canada and we like it that way. We feel that we have a sense of social solidarity and cohesion, of ordered progress, which would not be strengthened by a change to any other system of government or by amalgamation with any other country. We are, moreover, engaged in an important and successful venture in the incorporation within one state of two peoples of differing background - English and French - who are committed to the survival of their respective languages, cultures and traditions. We consider this experiment too significant for us and for others to endanger it by absorption in any other state.

COMMERCIAL RELATIONSHIPS

"We wish, of course, at the same time, to continue and, indeed, to strengthen our close and friendly contacts with the United States. For one thing, we are acutely - I use the word advisedly - aware of your importance to us economically. We would like to deepen and broaden our commercial relationships with you and bring them more into balance. It would, for instance, be fine for us if your 145 millions would buy as much from us as our 14 millions do from you. That would, we think, help both our countries, and would make unnecessary the restrictions we at times are forced to place on trade with the United States because the greater proportion of that trade - the largest volume of trade between any two countries in the world - consists of Canadian imports from this country. But here again, the closest possible, the freest possible, trade arrangements cannot, and in our view need not, mean for us the loss of our economic independence by a customs union or in any other way.

"As I see it, the central problem that faces our two Governments in their relations with each other is the extension and the deepening of these political and economic contacts, without creating the impression in either country that co-operation means absorption. In any event, I feel sure that Americans would rather co-operate with a free, vigorous and growing Canada than absorb 10 Canadian Provinces, which would presumably become States. Surely you do not want another dozen Senators! And what would Hollywood and fiction do if the scarlet-coated Royal Canadian Mounted Police became the Federal Bureau of Arctic Investigation...."

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HOUSING STARTS HIGHER: There was a small increase of three per cent in the number of new dwelling units completed in Canada in March as compared with the corresponding month last year, while starts rose 16 per cent. In the first quarter of this year completions

were at about the same level as in the same period of 1949, but the starts rose seven per cent. The number of units under construction at the end of March was seven per cent above last year.

Completions in March numbered 6,578 as

compared with 6,388 a year ago, and starts totalled 4,169 as compared with 3,585. In the first quarter, completions totalled 17,873 as compared with 17,826, and the starts numbered 9,015 as compared with 8,396. At the end of March there were 50,161 units under construction as compared with 46,886 a year earlier.

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ICAO TO REMAIN IN MONTREAL: The Fourth Session of the International Civil Aviation Organization's Assembly, meeting in Montreal, on June 17, refused to amend the ICAO Charter so that the Organization's permanent headquarters could be removed from Montreal. Voting for the amendment were 18 nations, against 12 nations, abstaining 7 nations; as a two-thirds vote in favour was necessary, the motion was lost.

Article 45 of the Convention on International Civil Aviation, the ICAO Charter, provides that:

"the permanent seat of the Organization shall be at such place as shall be determined at the final meeting of the Interim Assembly of the Provisional International Civil Aviation Organization set up by the Interim Agreement on International Civil Aviation signed at Chicago on December 7, 1944...."

The choice of Montreal was made by the final meeting of the Interim Assembly in 1946; when ICAO came into existence in 1947 its permanent headquarters were therefore established in Montreal.

The proposed amendment, originally put forward by the delegations of Argentina, Cuba, Mexico and Venezuela and amended by the delegation of the Netherlands, would have replaced this part of Article 45 of the Convention with the following text:

"the seat of the Organization shall be at Montreal or at such other place as may be determined by a two-thirds majority of the total number of Contracting States represented at the Assembly and qualified to vote at the time the vote is taken...."

* * * *

AUTO ENTRIES DOWN: Foreign vehicles entering Canada on traveller's vehicle permits in May totalled 144,589, showing a decline of six per cent from last year's May figure of 153,988. Decreased entries were recorded in all provinces except New Brunswick and Newfoundland. Despite the decline in the month, the cumulative total for the first five months of this year rose to 354,549 from 352,074 in the similar period of 1949.

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CARLOADINGS AT PEAK: Carloadings on Canadian railways for the week ending June 10 climbed to a new peak of 80,017 cars, showing an increase of 936 cars over the previous week and a gain of 7,253 cars over the same week last year.

PETROLEUM PRODUCTION LEAPS: Production of the petroleum products industry in Canada showed a sharp increase of 37 per cent in value in 1948 over 1947, the aggregate value of output by refineries and blending plants amounting to \$394,934,200 as against \$288,500,286 the previous year, according to the detailed report on the industry by the Bureau of Statistics.

Output of petroleum refineries was valued at \$387,169,018 in 1948 compared to \$286,573,707 in 1947, and of concerns engaged in blending oils and greases at \$7,765,182 compared to \$1,926,579.

Thirty-three refineries reported operations in 1948; four in Quebec, six in Ontario, three in Manitoba, seven each in Saskatchewan and Alberta, three in British Columbia, and one each in Nova Scotia, New Brunswick and the Northwest Territories. Their aggregate capacity was 315,475 barrels of crude oil per day.

During the year, 2,641,208,965 gallons of imported crude oil and 417,958,696 gallons of crude oil and absorption gasoline from Canadian wells, the total amounting to about 83 per cent of the rated capacity, was put through the refineries. Refinery production of gasoline amounted to 1,219,291,343 gallons, and in addition the refineries used for blending about 45,565,922 gallons of imported casing-head gasoline. The gallonage of gasoline made was 13 per cent over 1947 and its refinery selling value was \$192,762,696.

Eleven plants were occupied chiefly in compounding lubricating oils and greases in 1948, eight being located in Ontario, two in Quebec and one in British Columbia. Their output included lubricating oils at \$6,175,403, lubricating greases at \$1,471,170, and soaps or soap powders at \$28,614. Including the greater production from the refineries, the 1948 output of lubricating oils amounted to 65,820,840 gallons, and lubricating greases to 27,363,299 pounds.

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ECOSOC DELEGATION: The Secretary of State for External Affairs, Mr. Pearson, announced on June 20 the composition of the Canadian Delegation to the eleventh session of the Economic and Social Council, which will take place in Geneva from July 3 to August 16. The members of the delegation are:

Chief Representative: The Honourable Alphonse Fournier.

Alternate Representatives: Dr. G.F. Davidson, Deputy Minister of Welfare, Department of National Health and Welfare;

Mr. A.F.W. Plumptre, Chief of the Economic Division, Department of External Affairs; Mr. Arnold Smith, First Secretary, Canadian Embassy, Brussels.

In addition, certain officers of the Department of External Affairs and the Department of Finance will act as advisers to the Canadian Delegation.

"INCREASE SALES TO THE U.S."--MR. TOWERS:

While not underestimating the importance to Canada of overseas markets, the dollar difficulties of many customers were apparently not going to disappear completely in the foreseeable future, Mr. Graham Towers, Governor of the Bank of Canada, said in an address to the Board of Trade, St. John's, Nfld., on June 19.

"Our interests", Mr. Towers pointed out, "will be served best by increasing production of those things which are most likely to be saleable in the United States."

After reviewing at length the purposes and activities of the Bank of Canada, Mr. Towers dealt with Canada's post-war development and present outlook as follows:

"For Canada as a whole, the post-war years have been prosperous ones. The level of production and the average standard of living have been far higher than they were before the war. This prosperity has been fostered and sustained by a great volume of exports, and great activity in the form of new capital investment. In the four years 1946 to 1949 the dollar value of Canadian exports reached a total of \$11.3 billions and the annual physical volume must have averaged about 70 per cent higher than in 1938. During these same years, gross capital expenditure of all kinds amounted to nearly \$13 billions - equal in magnitude to the increase in the national debt during the war. These expenditures went into new housing, new or modernized plant and machinery, public utilities, the financing of inventories and a host of other things. Exports and new capital investment are the two great dynamic factors in our economic situation - two great providers of employment.

CAUSE FOR WORRY

"In these circumstances, the problems facing us in certain export markets have been a cause for worry. I refer, of course, to the difficulties experienced by a number of countries in earning sufficient U.S. or Canadian dollars to enable them to buy all the things they want to get from Canada. For certain countries, these inadequate earnings of dollars have been supplemented by loans from the United States and Canada, and more recently by large sums of U.S. dollars granted to them under the provisions of the Marshall plan. Even so, they have had to economize on imports from dollar sources....

"The problem has to be attacked from many angles. First and foremost, the countries concerned have to try to sell more in dollar markets on a competitive basis. That calls for reasonable production costs, good merchandising and lots of initiative. Since the devaluation of currencies which took place last September, a number of countries are showing signs of doing better on the export side, although the very substantial improvement which has taken place in the foreign exchange reserves of our most important customers is so

far due in the main to a reduction in the amount of their dollar payments.

"Another important factor is the willingness of North America to take more imports from overseas. So far as Canada is concerned, that involves, in part at least, a shift in our sources of supply. Developments of this kind have been encouraged in various ways, and some progress is being made. Lastly - and I am again referring to Canada - the solution must come in part from an increase in our sales to the U.S.A. Fortunately for us, that is the field in which the greatest progress has been made during the last two years - aided by a very high level of prosperity south of the border line.

"I do not for a moment underestimate the importance to Canada, and to each and every province of Canada, of our overseas markets. I hope that their efforts, buttressed by co-operation from this side of the Atlantic, will result in a very substantial volume of trade being done. It remains true, I believe, that the dollar difficulties of many of our customers are not going to disappear completely in the foreseeable future. If that is the case, our interests will be served best by increasing production of those things which are most likely to be saleable in the United States. There is a market which has increased in numbers by 20 millions or 15 per cent since 1939, and is growing at the rate of 2½ million people a year. It is, practically speaking, the only market in the world where imports are not restricted for foreign exchange reasons...."

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CHEMICAL INDUSTRIES SET RECORD: Canada's chemical and allied industries achieved a new peacetime record in value of production in 1949, with a gain of 2.5 per cent over the previous peak in 1948, according to preliminary figures released by the Bureau of Statistics. The year's value amounted to \$594,800,000 as compared to \$579,800,000 in 1948. Last year's figure was exceeded only in the two war years - 1943 and 1944, when values were attained of \$653,500,000 and \$730,900,000, respectively, with shell-filling accounting for a large part of the totals.

Ten of the 14 industries in the chemicals group showed substantial gains in output in 1949 as compared with the previous year. Coal tar distillation rose 17.7 per cent to \$9,504,000; polishes and dressings, 15.1 per cent to \$11,606,000; primary plastics, 14.4 per cent to \$18,805,000; medicinals, 11.1 per cent to \$79,685,000; miscellaneous, 8.1 per cent to \$87,678,000; compressed gases, 4.7 per cent to \$11,845,000; fertilizers, 5.9 per cent to \$67,740,000; inks, 5.9 per cent to \$8,778,000; heavy chemicals, 2.6 per cent to \$72,440,000; and paints and varnishes, 1.7 per cent to \$82,648,000. Output from the soaps industry declined 4.9 per cent to \$64,281,000; adhesives, 20.1 per cent to \$6,933,000; vegetable

oils, 12.4 per cent to \$55,802,000; and toilet preparations, 1.6 per cent to \$16,877,000.

There were 1,001 plants in operation in 1949 with 40,506 employees whose salary and wage payments amounted to \$95,782,000 as compared with 1,026 establishments employing 39,548 persons earning \$89,327,000 in 1948. Cost of materials used was \$287,871,000 as against \$293,041,000.

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U.K. SCIENTISTS' VISIT: Headed by Sir William Ogg, Director of the experimental station at Rothamsted, England, and Consultant Director of the Commonwealth Bureau of Soil Science, a party of six eminent United Kingdom agricultural scientists and administrators will tour Canada this summer as guests of the Department of Agriculture.

Scheduled to land at Quebec on June 27, the party will be accompanied by Dr. W.F. Darke, Agricultural Secretary to the U.K. High Commissioner in Canada, across the country and back until they leave Montreal August 24.

This is a return call for the visit of Canadian agricultural scientists to the U.K. last year and is part of a postwar movement towards the vital and continuous interchange of ideas related to the scientific and organizational aspects of agriculture.

Besides Sir William Ogg, the party will include Dr. D.P. Guthbertson, Director of the Rowett Research Institute, Aberdeen; Professor W.H. Ellison, University College of Wales, Aberystwyth; J.H. Anderson, National Agricultural Advisory Service, Cambridge; W.H. Senior, Assistant Director of Education and Research of the Department of Agriculture, Scotland; Professor Ewen M'Ewen, University of Durham.

During their tour of Canada they will study the most recent developments in Canadian agriculture and visit the most outstanding agricultural institutions of this country.

* * * *

18 NATIONAL MUSEUM RESEARCH PARTIES: The Minister of Resources and Development, Mr. Winters, has announced that the National Museum is sending 18 parties into the field this summer. Their work will include investigations in archaeology, ethnology, zoology, botany, and palaeontology and will extend from Newfoundland to British Columbia and from southern Ontario to the Arctic.

The investigations are expected to yield a great amount of new information regarding the natural history of Canada.

Dr. Henry B. Collins, Jr. will continue his investigations at Resolute Bay on Cornwallis Island in the Arctic where last season he began the excavation of some ancient Eskimo houses which provided some interesting information about the Thule culture. He will be assisted by W.E. Taylor, of the University of Toronto.

Dr. J.D. Leechman will continue his investigations of archaeological sites in the

interior plateau region of British Columbia and the Yukon from Dawson to Eslin and from Prince George to Ashcroft.

Dr. R.S. MacNeish will make an examination of areas near Lake Nipigon and the Winnipeg River which will be flooded by dams now under construction to determine if important archaeological sites are endangered and will also continue investigations in the Mackenzie River drainage basin and the excavation of important Indian sites found there last summer.

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RETAIL TRADE DOWN: Canada's retail trade was down four per cent in April as compared with the same month last year, with 15 of the 21 trades reporting lower figures for the month. Total sales for the first four months of this year, however, increased three per cent over the corresponding 1949 period, gains being recorded for each of the first three months.

Among the six trades reporting increases in April, only two -- motor vehicle dealers and coal and wood dealers -- had gains of any size. Sales of motor vehicle dealers rose 14 per cent, continuing the steady record of gains; but this increase was moderate compared with the sharp advances of preceding months which have brought the gain in cumulative sales for the four months to 41 per cent. The smaller rise in April is attributable to curtailment of distribution caused by a strike in the United States plants of one of the larger companies. Coal and wood dealers' sales were up 40 per cent, reflecting generally cold April weather in most parts of Canada. Food store sales showed a slight increase of one per cent, with chain food stores recording a marked gain of seven per cent, while sales of independent food stores dropped 11 per cent. Sales of appliance and radio stores and tobacco stores also increased moderately.

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PRESIDENT AURIOL MAY VISIT CANADA: The Department of External Affairs announced on June 19 that the Government of Canada has learned with great pleasure that the President of the French Republic, M. Vincent Auriol, and Madame Auriol will visit the North American continent during April of next year and that it will be possible for them to spend a few days in Canada at that time.

A formal invitation to visit Canada is being extended to the President and Madame Auriol.

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BORDER TRAFFIC: Highway traffic between Canada and the United States in April was five per cent greater in volume than in the same month last year, most of the advance being due to Canadian traffic returning from the United States, which increased by 14 per cent. The increase in United States traffic entering Canada was only one per cent.

THE WEEK IN PARLIAMENT

PROTECTION FOR GRAND BANKS FISHERMEN: In the House of Commons on June 19 in answer to a question by Mr. G.F. Higgins, Progressive Conservative, St. John's East, the Minister of Fisheries, Mr. Mayhew, made a statement on conditions on the Grand Banks off Newfoundland, where it is reported that trawlers of foreign nations are causing damage to property and endangering the lives of Newfoundland and Nova Scotia fishermen. Mr. Mayhew said in part:

"...We are aware of the problems in this area. The area itself is international waters, and control would require an international agreement among the various countries.

"We are asking the captains of the Canadian fishing vessels to keep records and give us evidence of any destruction of or interference with the Canadian fishing gear. Further, we intend to discuss the problem with European countries this fall when our representative goes to Europe on other business, so that we might ultimately have a conference on the rules of the road in the Northwest Atlantic. We are also sending our largest vessel, the *Cygnus*, into that area to give what protection we can to the Canadian fishermen and also to their vessels, but I might point out that the vessel is not going as a policeman; it is going to render assistance...."

AMEND OFFICIAL SECRETS ACT: The Minister of Justice, Mr. Garson, in the House of Commons, on June 15, introduced a Bill to amend the Official Secrets Act. He said:

"Mr. Speaker, the Bill will provide four amendments to the Official Secrets Act. First, it will extend the expression 'office under His Majesty' to include employees of commissions, corporations and other agencies of the Crown. Second, it will give an extraterritorial effect to the Act by making it applicable to offences committed outside of Canada by Cana-

dian citizens, or to persons who in another country have communicated information which they obtained during the time that they owed allegiance to Canada. Third, it will increase the penalties under the Act, and fourth, it will also remove any doubt that persons charged under the Act for offences against the Act under part XV of the Criminal Code relating to summary convictions, may be fingerprinted."

The Provinces, at federal expense, soon will undertake a sickness survey to ascertain the number of incurables in Canada and the number of persons earning no income. The Minister of National Health and Welfare, Mr. Martin, announced in the House of Commons on June 20.

In a move to bolster Canada's shipbuilding industry, the Government is seeking power, through legislation now before Parliament, to ban the importation of foreign-built ships. It would be used against the purchase of old U.S. vessels by Canadian companies.

The House of Commons, on June 20, gave Mr. Ross Thatcher, CCF, Moose Jaw, permission to withdraw a bill calling for the abolition of capital punishment. Mr. Thatcher says he plans to introduce a similar bill at the next session.

Notice of legislation to provide the first overhaul of the National Film Board setup in 11 years was given in the House of Commons on June 20 by the Minister of Resources and Development, Mr. Winters.

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NEWFOUNDLAND MINERS PLACED: The Minister of Labour, Mr. Mitchell, announced on June 22 that 100 Newfoundland miners are travelling to take jobs arranged for them in hard-rock mines in North-western Ontario and Manitoba, in the first organized movement of miners between Newfoundland and the mainland.

The men were selected by Harlow W. Wright, Assistant to the Executive Director of the Canadian Metal Mining Association, in co-operation with the Special Services Branch of the Department of Labour, and with National Employment Service offices in Newfoundland.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on June 8 amounted to 108,228,100 bushels as compared with 108,464,500 a week earlier, and 85,191,900 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week rose sharply to 4,248,300 bushels from 1,842,000 a year ago. The cumulative total for the period August 1 - June 8 totalled 283,991,000 bushels as against 273,268,700 in the similar period of the preceding crop year.

NATIONAL NOTES

A five-year agreement between General Motors Company of Canada and the United Automobile Workers, (C.I.O.) covering wages, company-paid pensions, insurance and hours of work at the Oshawa and Windsor plants, was announced on June 20.

Dr. William H. Watson, Assistant Director of the atomic energy project at Chalk River Ontario, and one of the world's leading authorities on radar, has been appointed head of the Physics Department at the University of Toronto, it has been announced.

John R. MacNicol, former member of the House of Commons for Davenport (Toronto), died at Malton, Ont., on June 18. In the House of Commons, on June 19, tributes were paid to his career of public service by the Prime Minister, Mr. St. Laurent; the Leader of the Opposition, Mr. Drew; the Leader of the C.C.F. Party, Mr. Coldwell; the Leader of the Social Credit Party, Mr. Low; Mr. Jean Francois Pouliot, Liberal Temiscouata; Mr. David A. Croll, Liberal, Spadina, (Toronto) and Mr. W.D. Wylie, Social Credit, Medicine Hat.

The Royal Canadian Navy minesweeper, H.M.-C.S. Portage, will pay an official visit to Chicago from June 28 to July 5 and will participate in ceremonies marking "Canada Day," July 1, at the Chicago Fair of 1950.

Lumber prices in British Columbia have jumped to record highs, it is reported from Vancouver, due to United States demand.

WHOLESALE SALES DOWN: Dollar volume of wholesale sales was lower in April, declining five per cent from March, and four per cent from April last year. Cumulative sales for the first four months of this year were one per cent lower than in the corresponding period of 1949. The general unadjusted index of sales, on the base 1935-39=100, stood at 278.9 for April, 293.6 for March, and 291.7 for April last year.

Decreases from a year earlier were recorded in sales for all regions of the country. Sales

in British Columbia were only slightly below April last year with a decrease of one per cent, while declines of four per cent were registered for Ontario and five per cent each for the Maritimes and the Prairie Provinces. Quebec's sales were seven per cent below April last year.

PRODUCTION

Canadian production of crude petroleum and natural gasoline rose to an all-time high monthly total in March, showing an increase of 13 per cent over the previous peak.

Coal production in May this year increased six per cent over the corresponding month last year, while imports fell four per cent. According to preliminary figures, the month's output increased to 1,423,400 tons from 1,341,549.

Gross selling value of products turned out by establishments in the hardware, tools and cutlery industry of Canada in 1948 amounted to \$87,666,000, showing an increase of 10 per cent over the 1947 total of \$79,537,000.

THE PROVINCES

Largest delegation from the Maritimes in 25 years, 50 representatives from the East urged upon the Cabinet this week the construction of the Chignecto Canal which would cut 500 miles off the voyage from the Gulf of St. Lawrence to the Bay of Fundy.

The Manitoba Government, on June 21, announced the creation of a federal-provincial Red River Valley Flood Protection Board. J.B. Carswell, of Vancouver, B.C., will be Chairman.

The level of the Fraser River dropped fractionally at mid-week, after a menacing rise.

The Toronto Builders' Exchange retreated this week from its position of attempting to hold the wage line in the construction industry and offered the AFL Bricklayers' Union a 10-cent-an-hour increase and two-year contract.

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WEEK'S EVENTS IN REVIEW

THE DEATH OF MR. KING: The Right Honourable W.L. Mackenzie King, former Prime Minister, died on Saturday evening, July 22, at his summer home, Kingsmere, in the Gatineau Hills. His death followed an attack of acute pneumonia, suffered late on the afternoon of July 20.

Mr. King was succeeded as Prime Minister by Mr. Louis St. Laurent on November 15, 1948, after having served as Prime Minister an aggregate of 21 years, five months and five days. He had surrendered the leadership of the Liberal Party on August 7, 1948, 29 years after assuming it. Neither of these records of service had been exceeded in a British Commonwealth country. Mr. King's long Parliamentary career terminated with the dissolution of Parliament on April 30, 1949.

From the morning of July 23 until the morning of July 25 the remains rested at his Ottawa residence, Laurier House, where close personal friends paid their last respects. They were removed on the morning of July 25 to the Hall of Fame in the Centre Block of the Parliament Buildings to lie in state until Wednesday afternoon, July 26. Tens of thousands of citizens filed past the bier in the Parliament Buildings.

Through Ottawa streets lined with 50,000 people the state funeral procession moved on Wednesday afternoon to St. Andrew's Presbyterian Church where Mr. King had long worshipped. Four mounted policemen in scarlet, flanked by 32 pallbearers, headed by the Prime Min-

ister, Mr. St. Laurent, led the procession down Parliament Hill. Behind a tri-service Guard of Honour followed hundreds of official mourners, Members of Parliament, the diplomatic corps, the clergy, the judiciary and ordinary citizens.

In historic St. Andrew's Church, where touching eulogy to the late Prime Minister was spoken by Rev. A. Ian Burnett, minister of St. Andrew's and close friend and confidant, Mr. King's regular pew was empty and draped in black. The Governor General and Lady Alexander were among those present at the service.

Following the service the cortège again moved at the slow march through lines of sorrowing citizens to the Union Station where the body was placed aboard a special train for Toronto for interment in the family plot in Mount Pleasant Cemetery on the morning of Thursday, July 27.

Tributes to the memory of the late Prime Minister had poured in from Their Majesties, the King and Queen, from heads of Governments and prominent statesmen and dignitaries all over the world, from leaders of federal opposition parties in Parliament, provincial Premiers and prominent citizens everywhere.

The final sentence of the public tribute paid by the present Prime Minister, Mr. St. Laurent, was:

.... "Today the Government of our country has lost its wisest counsellor and the people of Canada their greatest public servant."

CANADA'S DEFENCE NEEDS

MR. CLAXTON'S RADIO SPEECH The Minister of National Defence, Mr. Claxton, in a broadcast over the Trans-Canada Network on July 20, appealed for recruits for the Armed Services and explained the steps which were being taken to strengthen the Navy, Army and Air Force.

"This doesn't mean that we expect another world war," he said, after explaining the various details. "It does mean that by being in as good a state of preparation as the resources made available permit, we will be doing our part to prevent war."

The partial text of the Minister's address is as follows:

"...In his statements the Prime Minister has put our present position in very clear terms. That position may, of course, change. As a matter of fact, since the end of the Second World War change is about the one thing we can count on as a certainty.

"In the meantime, and as an immediate step, we are going to press on with the recruiting, training and arming of our forces so as to be as ready as time and money permit to meet whatever emergency or development the future may hold.

"At the present time we have in the full time active Navy, Army and Air Force a total of about 47,000 men. Circumstances now justify the recruiting of additional men without any stated ceiling. Let me tell you the special purposes for which we want these additional men.

"First, in the Navy, we want to commission, that is, make active, more ships - including the destroyers 'Crescent' and 'Crusader' on the west coast. We also shall bring up to full complement all our fighting ships. In addition to the three destroyers in the far East, we shall have the 'Magnificent' and two more destroyers on a training cruise in the North Atlantic and eight other ships will be carrying on training of new entries, reserves and officer cadets in Canadian waters.

"In the Army, we want men to bring up to full strength the famous units of the brigade group - the Princess Patricia's, the Lord Strathcona's, the Royal Canadian Regiment, the Royal 22e Regiment, the Royal Canadian Dragoons, as well as the artillery, engineers and other units.

"In this connection we are adding to our Ac-Ac artillery....

"For the Air Force, we want men for technical trades, particularly radar, and also we need a number of especially fit young men between 18 and 21, having at least a junior matriculation, to qualify for aircrew on a short service plan of from 18 months up to 5 years, with the possibility, if they have the general background and capacity, of having a continuing career in the Air Force.

"The kind of men we want for all three services are between 18 (or in some cases 17 with parents' or guardian's consent) and 29, single, having the equivalent of at least a ninth grade education. They would sign on for three years in the Army and five in the other services, with re-engagements if they liked it and were needed, for additional periods of five years....

"What is the object of these active, full time personnel? First, it is to provide the minimum forces necessary to defend Canada from immediate attack on the scale that our military advisors inform us we might expect as part of a general war. Then, it is to provide the organization - administrative and training staffs - the leadership and the housekeeping services for the active forces themselves, for the reserve forces and also for very much larger forces should it become apparent that we are moving into a general conflagration....

"I believe the Canadian forces today are as fine and fit a body of men as we have ever had under our colours at any time....

"In addition to wanting men for the active forces, we want men of just about the same standards for the reserve forces....

"In the all-important field of officer training we have set what I believe to be as high standards as in any country in the world. We want them to have the equivalent of a university training and a year of practical work. We have over 5,000 men training to these standards today.

"In addition to increasing personnel, we are accelerating production of the F-86 and our own CF-100. This twin-engine, all-weather, jet fighter is unquestionably some time in advance of all other aircraft in this particular field. Because it's a success, I am now announcing for the first time the name we have chosen for it, 'the Canuck' - a thoroughly good Canadian product of Canadian workmen and engineers and members of the R.C.A.F.

"We will press on with the development of other equipment....

"This doesn't mean that we expect another world war; it does mean that by being in as good a state of preparation as the resources made available permit we will be doing our part to prevent war. And we don't regard this preparation as an end in itself. We look forward to the day when it will not be necessary to spend over 20% of our national budget on defence, to the day when nations and men will feel secure to work together to enjoy measures of prosperity and security we know we can have. The one thing that is preventing that today is the Communist appetite for power. Unfortunately, the brutal fact is that until that changes we and other peoples who love our countries and cherish our freedoms must be prepared to do whatever is necessary for their defence...."

MARINE SEARCH, RESCUE SYSTEM: Government operated ships numbering more than 200, are being co-ordinated into a general marine search and rescue system in Canada, it was announced jointly on July 21 by the Minister of National Defence, Mr. Claxton, and the Minister of Transport, Mr. Chevrier.

The announcement said that "the Government has adopted the recommendations of an inter-departmental committee appointed to review arrangements for marine search and rescue services" and that the Royal Canadian Air Force has been "designated as the co-ordinating agency". The announcement further stated the committee was satisfied that "the enlarged system of co-ordination of rescue services would be both adequate and efficient".

The committee found that the system of co-ordination of marine search and rescue now being carried out by the R.C.A.F. Rescue Co-ordination Centres at Halifax and Vancouver is "basically satisfactory" and has made some recommendations in order "that this service might be improved" says the joint announcement.

NUCLEUS AVAILABLE

The Royal Canadian Navy, the Royal Canadian Air Force, the Royal Canadian Mounted Police, the Department of Transport, the Department of Mines and Technical Surveys, the Department of Fisheries and other governmental agencies operate vessels of various types and sizes on the two coasts. In the opinion of the committee "there is sufficient number of such ships available in each area to provide a nucleus for marine search and rescue service". The committee felt that "even the less suitable vessels would be able to assist materially in saving life until the arrival of a more suitable ship capable of rendering any further assistance required by the emergency".

The Royal Canadian Air Force which has been responsible for search and rescue service to aircraft in distress, has made its facilities in Halifax and Vancouver available for co-ordinating the provision of assistance to vessels as well as aircraft in distress in the east and west coast areas. The Committee urges that all interested agencies be made "aware of the action to be taken in the event of emergency and the public of the necessity of notifying the appropriate R.C.A.F. Rescue Co-ordination Centre of any casualty".

The Marine services operated by government departments will keep the R.C.A.F. Co-ordination Centres "informed of the movements and state of readiness of their ships". In its capacity as co-ordinating authority, the R.C.A.F. will inform the nearest and most suitable government ship of any casualty. Such ships are required to take the "immediate action necessary to ensure the safety of life and if possible to prevent the damage to or loss of any ship or cargo until such time as private or commercial salvage vessels are available for this purpose".

The R.C.A.F. already has at Vancouver and Halifax major operational search and rescue centres with radio communication to other government services and agencies as well as to ships and aircraft at sea and centres in the United States. Other R.C.A.F. centres in Canada are similarly in communication with other agencies through the inter-service communications net across Canada.

* * * *

HUDSON BAY NAVIGATION: Extension of the navigation season in Hudson Bay by ten days was announced on July 20 by the Minister of Transport, Mr. Chevrier. The announcement was based on advice received from London extending marine insurance rates for vessels entering Hudson Bay ten days earlier than in former years.

The Minister's announcement states that minimum additional marine insurance premiums on ships bound for Churchill will apply to vessels passing Cape Chidley on and after July 26. The earliest date this insurance applied in former years was August 5. The latest date for vessels to leave the port of Churchill is October 10 as in former years.

In making this announcement, the Minister of Transport expressed appreciation of the representations made on behalf of the Department by the Commonwealth Shipping Committee to the London Board of Underwriters and also the helpful action by the underwriters in extending the navigation season.

While advancing the insurable period of navigation in the Hudson Bay, the London Board of Underwriters stipulates that no vessel shall proceed past Cape Chidley except by permission of the Department of Transport patrol vessel during the period from July 26 to August 10, inclusive.

* * * *

EMBARGO ON SHIPMENTS TO N. KOREA: Effective immediately, Canada has placed a complete embargo on all shipments to North Korea through the rigid application of area control under the Export Permit Regulations, the Minister of Trade and Commerce, Mr. Howe, announced on July 21. All outstanding export permits for this area have been declared invalid.

Great Britain, the United States and Australia have taken similar action in the past few days.

* * * *

CARLOADINGS: Carloadings on Canadian railways during the week ended July 15 were a near record for the week at 78,201 cars compared with 73,210 in the same period last year and the peak for the period of 78,244 cars in 1947. The gain over 1949 was 4,991 cars or 6.8 per cent. The Canadian cumulative total from the first of the year to July 15 aggregated 2,024,090 cars as compared with 2,021,853 in the similar period of 1949.

NATO PILOT TRAINING HERE: First personnel from the North Atlantic Treaty Organization nations to take air force training in Canada will arrive this month and actual training will start August 1, it was announced on July 21 by the Minister of National Defence, Mr. Claxton. Army personnel to take training under the scheme will arrive in September.

Approximately 250 personnel from six European nations will be trained here, including both air force and army students. Student pilots from France, Belgium, the Netherlands, Norway and Italy are scheduled to report to R.C.A.F. Station, London, Ont., for a six-week pre-flight course which starts August 1. About 50 student pilots are booked for training, although it is not expected that all will have arrived by August 1. A similar number of student navigators and up to 150 army trainees are scheduled to come to Canada for training. It is expected that Portugal will participate if arrangements can be worked out in time.

The pre-flight orientation course at London will if necessary provide a short technical vocabulary training. Purpose of the course is to minimize handicaps which might result from sudden entry into the intensive aircrew training courses under conditions unfamiliar to the students from abroad.

NATO pilot training will be given by the R.C.A.F. at its basic flying training school at Centralia, Ont., starting September 11. Training will be on single engine Harvards and will run for 37 weeks. Student navigators are scheduled to start navigation training at the Air Navigation School, Summerside, P.E.I., October 9, their course also covering 37 weeks.

Canada's offer to the nations signatory to the North Atlantic Treaty was announced by Mr. Claxton last March as a concrete means of aiding in the military training programme of those nations and of familiarizing officers of the various countries with one another and with another part of the North Atlantic area.

Under the offer the nations sending army and air force trainees will continue to provide pay and allowances, clothing, transportation to and from Canada and personal expenses. Canada will provide food, accommodation, transportation within Canada, normal hospital and medical services, in addition to all the costs of training.

* * * *

EXERCISE "SHOO FLY": "Shoo Fly," a small-scale exercise involving one officer and 10 other ranks of the Royal Canadian Regiment, started this week in the area of Fort Churchill, Man., and will continue until August 2, Army H.Q. announced on July 21.

The exercise is expected to bring to light the problems an infantry section would encounter in the Arctic during the summer while moving in a reconnaissance role. It is also hoped to determine the clothing and equipment requirements of a small force of this nature,

and during the course of the exercise various types of gear and supplies will be given rigid tests.

Army officers feel that the exercise has been aptly named. Millions of insects swarm the area, and emphasis will therefore be on the testing of anti-insect clothing, spray guns and insecticides.

The section has established a small base at a lake approximately 10 miles from Churchill, and regular reconnaissance patrols will operate from the lake in a radius of 15 miles, traversing all types of terrain found in the area. This includes bush country, barrens, muskegs, lakes, streams and eskers.

* * * *

EMPLOYMENT PICTURE IMPROVED: Increased seasonal activity in construction, agriculture and transportation, and a heavy demand for many Canadian products in the United States, were reflected in a steady improvement in the employment situation in the latter half of June in almost all sections of the country. Although the labour force is increasing at this time of year, as large numbers of students begin looking for work, the total number of registrations on hand at National Employment Service offices continued to fall from 220,400 on June 15 to 204,600 at the end of the month. This was 57,400 above the total for the same week last year, the Minister of Labour, Mr. Mitchell, has announced.

As employment in construction and agriculture moved steadily upward to their seasonal peaks, shortages of certain types of workers persisted in these industries in some areas. Experienced farm help remained in short supply in many sections of eastern Canada, and a shortage of skilled construction tradesmen continued, particularly in the larger centres, such as Montreal, where a heavy building programme is under way.

The substantial increase in exports to the United States helped maintain high levels of employment in industries such as metal mining and pulp and paper, whose chief markets are in the United States. The increased demand for pulp and paper products has made necessary a larger summer cut of pulpwood logs than was anticipated earlier, and this has increased woods employment in both the Maritimes and Quebec; shortages of experienced wood workers have appeared in certain areas. It is now expected that employment in pulpwood cutting this coming season will be substantially above that of last winter.

The heavy United States demand for Maritime lumber has reversed the downward trend in production and employment which had been in effect in this industry. Employment in the Maritime lumber industry is now expected to approach the 1949 level. This rapid increase in the demand for one of the leading products of the Maritimes has stimulated the economy of the whole region.

Employment in manufacturing generally continued close to last year's level. Sawmills, pulp and paper mills, automobile and electrical apparatus plants, are increasing their staffs. Employment also increased in some heavy iron and steel plants in Quebec. On the other hand, leather and rubber goods plants and some textile companies were still on short-time, and the agricultural implements industry was releasing workers, as production declines from its seasonal peak.

* * * *

UN TRANSPORT SQUADRON ARRANGEMENTS: The R.C.A.F.'s 426 Transport Squadron, designated to aid in the Pacific airlift in support of United Nations forces in Korea, is to operate between McCord Field, Tacoma, Washington, and Tokyo, it was announced on July 21 by Air Force Headquarters. The squadron will fly under the operational control of United States Military Air Transport Service and normal administrative control of the squadron will remain with Air Transport Command, Rockcliffe, Ontario.

The squadron will move as a unit from its home base at Dorval, P.Q. to McCord Field, with six North Stars being slated to make the first flight to the west coast. The squadron is ready for an immediate move, but is holding at its Dorval base until arrangements can be made at McCord Field. Two more North Stars are expected to follow within a week of the departure of the first six.

GREAT CIRCLE ROUTE

The aircraft will fly the Pacific airlift, taking the great circle route over the Aleutians, a distance of about 4500 miles, calling for approximately 22 hours flying time. In addition to these aircraft, which will fly the airlift proper, two more North Stars will operate between Dorval and Tacoma, providing logistic support for the operation.

It is expected that the first flights over the Pacific by the R.C.A.F. aircraft may be made within several days of arrival at McCord Field.

Nearly 200 groundcrew and 100 aircrew will be flown to McCord Field, with equipment required to maintain the aircraft. Most of the groundcrew will remain at McCord Field, where the squadron will set up temporary headquarters, but a small number may be placed at Tokyo, the Far Eastern turn-about point, and at touch-down points in Alaska.

A small portion of 426 Squadron will remain at Dorval to carry on essential re-supply runs to isolated northern bases and to give familiarization training to air crews intended as replacements on the Pacific operation.

Each of the big four-engine North Stars flying the run will have two complete flight crews, made up of four aircrew personnel and two crewmen, who will serve as flight engineer and air cargo superintendent.

LABOUR FORCE 4,818,000: Results of the quarterly survey by the Bureau of Statistics indicate that Canada's total civilian labour force at the beginning of June this year was practically unchanged from a year earlier, with the number of persons with jobs slightly less than last year and the number without jobs and seeking work slightly larger. The number not in the labour force, and consequently the total non-institutional civilian population 14 years of age and over, was substantially greater.

Due to conditions caused by the Red River floods, Manitoba was not included in the latest survey, which covered the week ending June 3, and Newfoundland was not covered in the survey of June, 1949. Thus completely comparable data are available only for the other eight Provinces.

For these eight Provinces, the survey indicates a total labour force of 4,818,000 in June this year, up slightly from 4,814,000 in June a year ago. Of this total, persons with jobs numbered 4,695,000 as compared to 4,716,000 last year, and persons without jobs and looking for work 123,000 as against 98,000. The number of persons 14 years of age and over not in the labour force was 144,000 greater than last year, totalling 4,083,000 as compared to 3,939,000. Total non-institutional civilian population of the eight Provinces thus increased 148,000 to 8,901,000 from 8,753,000.

While up over June last year, the number of persons without jobs and seeking work in June this year shows a sharp seasonal decline from 269,000 in the week ended March 4 this year, date of the previous survey. In the same period the number with jobs increased about 250,000 from 4,444,000.

* * * *

1950-51 WHEAT PRICE: The Minister of Trade and Commerce, Mr. Howe, made an announcement on July 21 in regard to the price at which the Canadian Wheat Board will sell wheat for consumption in Canada during the crop year 1950-51. For the past several years the domestic price of wheat has been tied to the effective price under the Canada-United Kingdom Wheat Agreement. As this Agreement terminates on July 31, 1950, the Government has given consideration to the basis upon which the domestic price of wheat should be determined for the crop year commencing August 1, 1950.

It has been decided that effective August 1, 1950, the Canadian Wheat Board will sell wheat for consumption in Canada at the same price at which it is selling wheat for export under the terms of the International Wheat Agreement. For the crop year 1950-51 the International Wheat Agreement calls for a ceiling price of \$1.98 per bushel and a floor price of \$1.54 per bushel for No. 1 northern wheat in store at Lakehead or Vancouver basis Canadian funds. At the present time, the Board's selling price for wheat under the International Wheat

Agreement is \$1.98 for No. 1 northern wheat in store at Lakehead or Vancouver.

Under this arrangement, all the wheat which the Board will sell for consumption in Canada and all of the wheat which the Board will sell for export under the International Wheat Agreement during the crop year 1950-51, will be sold on the same price basis. The prices for export wheat sold outside the International Wheat Agreement will be those determined by market conditions at the time of sale.

* * * *

AUTO SALES AT PEAK: Both sales, and financing of sales of new and used motor vehicles showed further sharp gains in May over previous months this year and last to reach all-time record monthly levels. Passenger cars accounted for a major part of the rise in the month, but there were also substantial gains in sales and financing of commercial vehicles.

New vehicles sold in May totalled 40,582 as compared with 28,385 in the corresponding month last year, an increase of 43 per cent. The retail value for the month advanced almost 37 per cent from \$59,576,563 to \$81,578,306.

There were 13,448 new vehicles financed to the extent of \$18,477,964 in May, up sharply from the 8,222 units financed for \$11,819,237 a year earlier. Used vehicles financed in the month numbered 25,009 units involving \$17,073,800 as compared with 17,578 units financed for \$12,334,439 in May last year.

The high May sales raised new vehicle sales in the first five months of this year to 168,092 units from 109,892 in the like period of 1949, or by 53 per cent, while the value advanced from \$231,443,433 to \$336,021,879, or by 45.2 per cent.

New vehicle sales financed in the five months numbered 50,372 involving \$69,322,545 as against 29,918 units financed for \$43,093,359 in the same period of 1949.

New passenger car sales rose in the month from 19,692 units a year ago to 30,409, and the value advanced from \$40,397,359 to \$60,336,113.

* * * *

STRIKE LOSS HIGHER: Time loss due to work stoppages arising from industrial disputes during June, 1950, was slightly higher than in the previous month although the number of workers involved was considerably lower, according to a preliminary summary of strikes and lockouts issued on July 21 by the Minister of Labour, Mr. Mitchell.

Preliminary figures for June, 1950 show 27 strikes and lockouts in existence, involving 2,781 workers with a time loss of 30,152 man-working days, as compared with 23 work stoppages in May, 1950, with 3,488 workers involved and a time loss of 23,874 days. In June, 1949, there were 28 strikes and lockouts, involving 11,511 workers, with a time loss of 141,197 days.

ASSISTANCE TO UN IN KOREA: Following is the text of a letter delivered by John Holmes, Acting Permanent Delegate of Canada to the United Nations, to Trygve Lie, Secretary General of the United Nations, at Lake Success on the afternoon of July 21:

"I have the honour to acknowledge receipt of your message dated July 14, 1950, concerning additional assistance to the forces operating in Korea under authority of the Security Council's Resolution of June 27.

"I am instructed to inform you that the Canadian Government has given full and earnest study to the request contained in your message in the light both of the needs of the Korean situation and of the other interests and responsibilities of Canada.

"The Canadian Government understands that there is an immediate need for additional air transport. It has therefore decided to make available, at once, to the United Nations a long-range air transport squadron including ground crews of the Royal Canadian Air Force, for assistance in the Pacific air lift. In accordance with your suggestion, the detailed arrangements for the participation of this squadron will be made with the unified command established under authority of the Security Council.

"With respect to ground forces, for the reasons indicated in a statement issued by the Prime Minister on July 19 (of which I am enclosing a copy) the Canadian Government is unable, at this stage, to despatch existing first line elements of the Canadian Army to the Korean theatre.

"You will observe that in Mr. St. Laurent's statement reference is made to the Canadian Government's willingness to give consideration to participation in a United Nations force for service in Korea should a decision to that effect be taken by the Security Council.

"With respect to naval assistance, you are aware that three Canadian destroyers are already proceeding to Korean waters for service under the unified command.

"As you will observe from the Prime Minister's statement, the Canadian Government, having in mind its defence responsibilities, including those as a member of the United Nations, is taking immediate steps for strengthening and increasing its armed forces."

* * * *

RAIL REVENUES IMPROVE: Operating revenues of Canadian railways showed a marked rise in April over the corresponding month last year, and, with expenses at a lower level, the operating income for the month showed a betterment. Operating revenues in the month moved up to \$74,760,700 from \$72,669,800 a year earlier, and expenses fell to \$67,196,800 from \$67,661,000. Income from operations during the month rose to \$4,622,400 from \$2,437,000.

"CANADA AND THE KOREAN SITUATION"

MR. PEARSON'S ADDRESS: Canada's position in the Korean situation is dictated by the necessity of supporting United Nations' action, the Secretary of State for External Affairs, Mr. Pearson, stated in addressing a joint meeting of the Engineering Institute of Canada and the American Society of Civil Engineers in Toronto on July 14 on the subject, "Canada and the Korean Situation."

The transparent nonsense of the lie that war broke out in Korea as a result of an attack by South Koreans on North Koreans should be obvious even to Communists themselves, Mr. Pearson said. The south Korean forces were in no position to commit, with any possibility of success, any aggression, even if they had desired to do so. The United Nations' Commissioners, and not Moscow, had told the truth about Korea. It was on the basis of the facts revealed by them that the Security Council took the quick and decisive action that it did.

The Minister then proceeded, in part, as follows:

THE SECURITY COUNCIL

"...It is tragic that this action had to be taken by the Security Council, because it does mean armed police action which, in its turn - as we know already - means death and destruction. It would have been even more tragic, however, if the United Nations had defaulted on its clear-cut obligations to come to the defence of an attacked people, especially when quick and strong leadership was given in this undertaking by a great power which had forces in the area that could be made available to the United Nations for the restoration of peace. If the United Nations had failed at this time, the consequences would have been grave, not only for our world organization, but for peace itself. We would have once again repeated the performance of Abyssinia and Munich. In all the grim anxieties of the present situation, there is a gleam - more than a gleam - there is a promise of hope for the future in the fact that this time the collective conscience of the democratic world has expressed itself in action and not merely in words. The United Nations has intervened quickly and effectively, and collective security has been shown to mean something. The lesson of this can be read in other quarters where it perhaps needs to be read. If it is understood, we will have indeed struck a blow for peace.

"If only we could get across to those people whose governments have cut themselves off from the international community, that peace is all we have in mind; that there is no other purpose in this United Nations intervention but to stop aggression in Korea; that no one, least of all the leader in this collective action, the United States, desires for one

moment to exploit or extend this conflict, or to indulge in any action beyond that which is required to carry out the specific and restorative purposes of the Security Council resolution. That resolution has now received the approval of 53 states. They include many countries, and Canada is one of them, who resent and repudiate the charge that in doing our duty to the international community, and to peace, we are merely following the orders of a single member of the United Nations which has particular interests to safeguard in Korea. This is not the case. The people of Canada know that it is not the case....

"It is true that resolutions of the Security Council, of the kind passed on Korea, require the approval of seven members, including the votes of the permanent members of the Council. But it is equally true, though the Russians and their friends, of course, do not mention this now, that it has become a well established rule under the Charter that absence from the Council, or even abstention on a vote when present, cannot be considered as the application of the veto. The Soviet representative on the Security Council has himself abstained from voting on a number of occasions, and on no single one of these instances has the Soviet Union challenged the legality of the action taken by the Council. Indeed, on the contrary, the Soviet representative, Mr. Gromyko himself it was, has explicitly stated in the past that his abstention was not to be considered as a veto....

CANADA'S POSITION

"And what is Canada's position in all this? It is, I suggest, dictated by the necessity of supporting United Nations action. That is our only obligation, but it is one which we are discharging from considerations, both of national honour and of national safety. We have accepted that obligation as a Government, as a Parliament, and as a people, and we are discharging it. On this matter, we were united in the House of Commons and, I think, we are united, apart from the Communists, in the country. There may be, of course, a few who will argue that no Canadian interest is involved in Korea; that Korea is a country far away of which Canadians know nothing. There could be no reasoning more false than this. The terrible events of the last twenty years have shown us that there is no country far away from Canada and that there is no Canadian interest which matches our interest in peace. If that interest in peace is risked in Korea, or any other place, it becomes a matter of immediate concern to the Canadian people; for Canada, in this jet-propelled, atomic, interdependent age, cannot by itself remain secure and at peace in a warring world. And so it is a matter of primary Canadian interest, as it

is the interest of all free and peaceful peoples, that the collective police action of the United Nations should succeed.

"There are others who feel that we should, at once, mobilize all our strength for war and begin moving all our forces to the Pacific area. That, in my opinion, would be a very unwise thing to do in the present situation. Indeed, it is one that might give some satisfaction to those who would like to trouble the waters elsewhere so that they could fish in them.

"The Korean war may be a full tragedy itself; or it may be only the first act of a longer and far greater tragedy. Therefore, while we should be resolute in facing it, we should also be cool and far-sighted. At the moment, three modern Canadian war ships are on their way to become part of United Nations naval forces off Korea. We have been assured that they will provide effective assistance and they will soon be on the spot for that purpose, flying the flag of the United Nations alongside the flag of Canada. This is no mere token assistance. Nor is it assistance to any one State. It is a contribution to the United Nations for the restoration of peace in Korea. Our participation in this operation is for that purpose alone. But it is a high purpose. In this present contribution to its fulfillment, our sailors will find themselves under the operational leadership of a great American, General MacArthur, whose men, the men of the United States, are now bearing the burden and the heat of the conflict, with the courage and determination which one would expect of them....

NO SAFETY IN APPEASEMENT

"What of the future? He would indeed be rash who tried to predict it. A fire is raging and we don't know where the wind will blow it. But we know that we have reached the testing time - that we are facing trial by ordeal in the struggle between democratic freedom and Communist imperialism that has been going on for many years. We have learned - or if we have not we have been blind to all reality - that in this struggle against such ruthless forces, there is no safety in appeasement, as there is no sense in provocation. A steady and determined front against aggression, or threats of aggression, and the means to make that steadiness and determination effective, are what is required. This means rejecting alluring advice to isolate ourselves behind our boundaries and hope for the best; repelling the panicky counsels of impatient and bellicose men; welcoming any genuine move that may seem to promise peace but spurning phony overtures and appeals which conceal a bitter desire to weaken us so we can be destroyed...."

NATIONAL NOTES

Gleason Belzile, Liberal Member of Parliament for Rimouski and Parliamentary Assistant to the Minister of Finance, died on July 25 at his summer home in the St. Lawrence riverside resort of Notre Dame du Portage. He was 51.

The Minister of Trade and Commerce, Mr. Howe, has announced that Dr. T.W. Grindley, for reasons of health, has resigned as a member of the Canadian Wheat Board.

Canadian retail trade in May was six per cent greater in dollar volume than in May last year, 15 out of 20 trades and all regions except flood-stricken Manitoba reporting gains.

A summary of foreign trade figures for June shows a rise in Canada's total domestic exports to \$289,200,000 from \$255,100,000 for June 1949, and an increase in estimated total imports to \$282,800,000 as compared to \$250,500,000. Domestic exports to the United States increased to \$177,700,000 as against \$113,900,000, but declined to the United Kingdom to \$52,500,000 as compared to \$60,700,000. Estimated imports from the United States amounted to \$189,800,000 as compared to \$176,900,000, and from the United Kingdom to \$36,800,000 as against \$27,000,000.

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WHEAT ACREAGE DOWN SLIGHTLY: The area seeded to wheat in Canada this year is estimated at 26,964,200 acres, a decrease of about two per cent from the estimated total of 27,540,700 acres sown last year, according to the Bureau of Statistics. The area sown to oats is up two per cent, barley 10 per cent and flax-seed 70 per cent. The acreage under rye showed little change.

The acreage of oats is placed at 11,600,000 compared with 11,400,000 in 1949, Alberta accounting for the major part of the increase. The barley acreage advanced to 6,600,000 from 6,000,000 in 1949, all provinces sharing in the rise except Nova Scotia. Rye acreage at 1,180,900 is only slightly changed from the 1949 figure of 1,181,600, while flax seedings are estimated at 541,400 acres, up sharply from 322,500 in 1949.

All-Canada potato seedings, at 508,200 acres are little changed from last year's total of 510,300 acres, declines in Prince Edward Island, New Brunswick, Ontario, Saskatchewan, and British Columbia, being offset by increases in the other provinces.



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WEEK'S EVENTS IN REVIEW

THE DEATH OF MR. MITCHELL: Canada's Minister of Labour, Hon. Humphrey Mitchell, died suddenly in Ottawa on the morning of August 1, aged 55.

A state funeral, the Capital's second state funeral within nine days, is to be held on August 4. The body is to lie in state in Parliament's Hall of Fame from Friday morning, August 4, until early Friday afternoon, when the state funeral procession will leave for St. Barnabas Anglican Church, where service is to be held.

Rev. H.W. Browne, rector of St. Barnabas, will conduct the service and burial will be in Beechwood Cemetery in suburban Ottawa.

Only last week Mr. Mitchell visited the Hall of Fame to pay his last tribute to the former Prime Minister, Mr. King, who lay in state there for three days. He later attended Mr. King's state funeral in Ottawa and burial service in Toronto.

The late Mr. Mitchell had held his portfolio of Labour for eight years, seven months and 15 days, longer than any Minister of Labour in Commonwealth history. He entered the Cabinet in December, 1941.

Mr. Mitchell had noteworthy war service in the Royal Navy in the First World War. His service took him to the Dardanelles, the Indian Ocean and with the China Squadron at Singapore.

Tributes to the late Minister were tendered by the Prime Minister, Mr. St. Laurent, representatives of both labour and management, trade union leaders, and prominent citizens all across Canada.

MR. MENZIES' VISIT: The Right Honourable R.G. Menzies, P.C., K.C., M.P., Prime Minister of Australia, who is at present visiting in the United States, will visit Ottawa as the guest of the Government of Canada from Monday, August 7 to Wednesday, August 9 and will fly from Ottawa to Vancouver, where he will spend August 10, returning to the United States on the morning of Friday August 11. While in Ottawa, Mr. Menzies will stay at the residence of the High Commissioner for Australia, the Right Honourable F.M. Forde, P.C.

Mr. Menzies and the members of his party will arrive at Rockcliffe Airport in a Canadian Government aircraft from New York on the afternoon of Monday, August 7, and will be welcomed by members of the Cabinet, Major General H.P.G. Letson, representing His Excellency the Governor General, the High Commissioner for Australia, and the Mayor of Ottawa. There will be a guard of honour and an artillery salute of nineteen guns.

Mr. Menzies' programme in Ottawa includes a dinner given by the Australian High Commissioner on Monday, the laying of a wreath at the National War Memorial on Tuesday, an address before the Canadian Club of Ottawa which later will be broadcast on a national network, a dinner given by the Prime Minister on behalf of the Government of Canada and a press conference on Wednesday.

The programme for Mr. Menzies' visit to Vancouver includes the presentation of the "Keys of the City" by the City of Vancouver and of an honorary degree by the University of British Columbia.

CROP CONDITIONS FAVOURABLE: For the third successive week crops in the Prairie Provinces in general have made favourable progress. This is in contrast to the situation which frequently prevails as a result of extreme July heat and lack of moisture, the Bureau of Statistics reported last week.

Conditions in Manitoba continue satisfactory, although cool weather and rains have retarded heading. Stands are generally heavy but late and adverse weather could create a serious hazard through lodging. In Saskatchewan conditions have been well maintained with improvement noted in some districts. Prospects in the Province as a whole appear to be above normal. With the exception of scattered areas, crops in Alberta have generally improved but further moisture will be required soon in some areas. Sugar beets have recovered from earlier hail damage and prospects are very good for other special crops. Haying is in progress in Alberta but wet weather has delayed operations in most areas of Manitoba and Saskatchewan.

GRASSHOPPER LOSS LIGHT

Grasshopper damage has been generally light to date and with the exception of central and western Saskatchewan the threat is diminishing. Crops are much later than normal in many parts of the Prairies and consequently there may be some danger of early frost damage in susceptible areas. While moisture conditions are generally favourable at present, there are wide areas of Saskatchewan and Alberta where timely rains will still be required to promote satisfactory crop development.

Crops continued to make satisfactory progress in Manitoba during the past week but warmer, drier weather is needed to hasten development. Early-seeded crops are headed but late-sown grains will not reach that stage until early August. Grain stands are very heavy with little or no damage except some flooding in low spots. The flax crop shows some improvement this past week; rye is poor to fair; sugar beets promising. Growth of corn and sunflowers is backward due to cool weather and these crops may not mature unless warm, dry weather is received. Rains are delaying haying throughout the Province. Pastures and gardens, however, are excellent.

Crop conditions were well maintained in Saskatchewan during the past week with some improvement in parts of the south-central and southwestern districts resulting from recent rains. Moisture conditions are generally satisfactory, although central and western districts will require more rain soon. Excess precipitation and cool weather are retarding the development of rank stands in southeastern districts, where wheat is only 40 to 60 per cent headed as compared with 75 to 90 per cent over the rest of the Province. Length of straw is satisfactory in both wheat and coarse grains over most areas. Grasshopper damage has been held to a minimum in the affected areas,

but the threat is still serious in central and western Saskatchewan.

Moisture conditions have been improved over much of the Province by recent rains. Crops have shown quite general improvement during the past week, although early rains would be of benefit in parts of the southeast, south-central and northeast sections of the Province. Recent losses from hail have been generally light and insect damage appears to be diminishing. Most special crops are in good condition. Since crops are generally later than normal there will be some danger of frost damage in susceptible areas of the Province.

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DAIRY INDUSTRY TRENDS: Milk production, which showed a sharp decline after the end of the war followed by a partial recovery in 1947, appears to have become stabilized during the last two years at almost one billion pounds below the peak output of 17½ billion pounds in 1945, states the Bureau's annual report entitled "Dairy Statistics" covering the calendar year 1949. Creamery butter and fluid sales account for approximately two-thirds of the total production.

There has been a gradual rise in the proportion of production utilized as fluid milk. During the last five years fluid requirements have increased to take about two per cent more of the total available supply than formerly. A stronger domestic market for manufactured products has also resulted in larger proportions going into ice cream and concentrated milk products, while more than offsetting the increase in fluid milk has been a reduction in the quantity used for cheddar cheese, which has fallen from 12 per cent in 1945 to less than eight per cent last year.

A gradual change has also taken place in the geographical distribution of milk production. In 1949 the Prairie Provinces produced 27 per cent of the total as compared to 22 per cent in 1920, most of their gain being represented by a loss in Ontario and Quebec where the proportion fell from 67 to 63 per cent over this period. Thirty years ago 71 per cent of the creamery butter was manufactured in the two central Provinces and only 23 per cent in the Prairie Provinces. In 1945 creamery butter output in the Prairie Provinces accounted for 35 per cent and in Ontario and Quebec for 56 per cent, while in 1949 the proportions were 31 and 60 per cent, respectively.

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RECORD JUNE EMPLOYMENT: Employment in the major non-agricultural industries showed a considerable seasonal expansion at June 1, and the index number reached the highest level for that date in the record. The advance was accompanied by a rise in payrolls. Per capita weekly earnings, although lower than at May 1, were at a new peak for June 1.

The advance general index number of employment, on the base 1926 as 100, stood at 196.1 as compared with 188.8 at May 1, and 194.5 at June 1 last year. Payrolls rose three per cent during the month, and per capita weekly earnings stood at \$44.61 compared with \$44.99 at May 1, and \$42.32 a year earlier.

Gains in employment ranged from 1.6 per cent in Manitoba and three per cent in Ontario, to over 10 per cent in Nova Scotia, Prince Edward Island and Saskatchewan. Fairly general expansion was reported in manufacturing, transportation, communications, construction and maintenance, services and trade. The advances in construction were particularly large. Logging afforded more employment except in the Prairie Provinces; river-driving operations in eastern Canada resulted in the re-employment of many workers. Moderate improvement was recorded in mining except in Nova Scotia, New Brunswick and Saskatchewan.

The advance index number of employment in manufacturing was 203.9 as compared with 200.8 at May 1, and 205.1 at June 1 last year. The index number of factory payrolls rose one per cent in the month. As compared with June 1, 1949, there was a rise of 5.8 per cent in the disbursements in weekly salaries and wages. The advance figure of average weekly earnings in manufacturing at June 1 was \$46.12 as compared with \$46.34 at May 1, and \$43.31 at June 1, 1949.

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MR. HÉBERT SPECIAL AMBASSADOR: The Prime Minister, Mr. St. Laurent, announced on July 27 the appointment of Mr. Charles Pierre Hébert, Canadian Ambassador in Mexico, as Special Ambassador of Canada at the inauguration of President Elect General Manuel A. Odría as President of the Republic of Peru.

Mr. Hébert presented his Letter of Credence on July 27. He transmitted to the new President Elect the following message from the Prime Minister:

"Your Excellency:

"On the occasion of your excellency's inauguration as President of the Republic of Peru, I wish to extend my warmest congratulations and the best wishes of the Government and people of Canada in carrying out the great task to which Your Excellency has been called.

"I am confident that the cordial relations which have existed between our two nations will continue to grow and that in these times of world unrest our two countries will continue to co-operate to the fullest extent in the preservation of peace.

"Upon your accession to this high and distinguished office may I assure Your Excellency of the sincere friendship which the Government and people of Canada entertain for Your Excellency, and for the Government and people of Peru."

The actual inauguration of the new President will take place on August 28 in the Camera de Deputados at Lima.

Mr. J.M. Cook, Canadian Chargé d'Affaires ad interim, and Mr. R.E. Gravel, Commercial Secretary, Canadian Embassy, Lima, will form part of the Special Mission with the honorary rank of First Secretary!

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ARMY RECRUITING DRIVE: Army recruiting authorities are going flat out to fill existing vacancies in the Canadian Army Active Force as a result of the recent broadcast of the Minister of National Defence, Mr. Claxton, on the strengthening of the country's armed forces, Army Headquarters has announced.

In addition to inaugurating a new national advertising campaign, more direct and forceful than any since the end of the Second World War, the possibility of opening extra recruiting depots is being considered and all existing depots have been warned to prepare for an increased flow of applicants as a result of the present grave international situation. Recruiting personnel are also working longer hours, the depots now being open from Monday to Friday from eight AM to 10 PM and, on Saturdays, from eight AM to six PM. On Sundays there is a duty NCO at the office all day to answer all calls and queries.

Due to the fact that recruiting depots are located only in the larger centres across the country, all AF administration and training staffs attached to Reserve Force units have been supplied full information on recruiting and instructed to advise prospective recruits.

Present requirements for enlistment in the Canadian Army Active Force are: that the applicant be a Canadian citizen or a British subject resident in Canada; be unmarried and between the ages of 17 and 29; possess a formal education equivalent to Grade 8 and be willing to volunteer for service anywhere.

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WESTERNERS MAN UN SHIPS: Eighty per cent of the officers and men of the three Canadian destroyers assigned to the United Nations forces for the defence of South Korea hail from the four Western Provinces, according to figures released by Naval Headquarters.

Of the 807 officers and men listed as serving in H.M.C. Ships Cayuga, Sioux and Athabaskan, 648 were shown as coming from British Columbia, Alberta, Saskatchewan and Manitoba.

The figures were based on the home addresses given at the time of entry of each officer and man into the Navy.

The fact that most of the men in the destroyers' crews are westerners is attributable to the Navy's practice of assigning non-officer personnel, whose homes are in Western and West-Central Canada, to West Coast ships and establishments, and those from Eastern Canada to East Coast ships and shore bases.

CANADA'S POPULATION NEARS 14,000,000

INCREASES 296,000 IN 12 MONTHS: Canada's population is getting close to 14,000,000. At June 1 this year it reached 13,845,000, an increase of 296,000 in the 12 months from June 1, 1949, when it stood at 13,549,000, according to the annual census-date estimate of the Bureau of Statistics.

Quarterly estimates by the Bureau during the last year showed increases of 87,000 from June 1 to September 1, 1949; 71,000 from September 1 to December 1; and 59,000 from December 1 to March 1 this year, while the annual June 1 figure indicates a gain of 79,000 in the three months from March 1.

The estimate for June 1 shows increases during the 12 months in all provinces. Largest numerical increase was 101,000 for Ontario, followed by a gain of 89,000 in Quebec, and 24,000 each in Alberta and British Columbia. The population of Manitoba rose an estimated 17,000; Nova Scotia and Saskatchewan, 13,000 each; Newfoundland, 7,000; New Brunswick, 6,000; and Prince Edward Island, 2,000.

Estimates for the provinces and territories, with 1949 figures in brackets, are as follows: Newfoundland, 355,000 (348,000); Prince Edward Island, 96,000 (94,000); Nova Scotia, 658,000 (645,000); New Brunswick, 522,000 (516,000); Quebec, 3,976,000 (3,887,000); Ontario, 4,512,000 (4,411,000); Manitoba, 795,000 (778,-

000); Saskatchewan, 874,000 (861,000); Alberta, 895,000 (871,000); British Columbia, 1,138,000 (1,114,000); Yukon, 8,000 (8,000); Northwest Territories, 16,000 (16,000).

Canada's population in 1941, according to the census of that year, was 11,507,000. In the nine years it has thus risen 2,338,000, with the entry of Newfoundland last year accounting for 348,000 of that total. Excluding Newfoundland's addition, the largest net increase in these years and the largest on record was 318,000 in the 12 months ending June 1 last year. In the previous year the increase was 301,000, or slightly more than that shown by this year's estimate, which covers 10 as against the former nine Provinces.

The Bureau's estimate results from a population accounting which starts with the 1941 Census, adds birth and immigration and deducts deaths and emigration for the subsequent nine years. For each province an attempt is made to follow the same method as for Canada, but the figures on migration used are less complete. During the five years subsequent to the 1941 Census the only available material on inter-provincial migration was the counts of successive ration books; since 1947 the labour force survey has estimated inter-provincial movement.

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T. & C. TOP STAFF CHANGES: Resignations of J.S. Irvin, Director of the Emergency Import Control Branch, W.E. McDermott, Director of the Import Allotment Division, and G.B. Greene, Assistant Director of the Allotment Division, were announced on July 31 by the Minister of Trade and Commerce, Mr. Howe.

These resignations will take effect August 1 when all three officers leave to take important positions in private industry.

Mr. Irvin will be joining the Steel Equipment Co. Ltd., Mr. McDermott the Reo Motor Co. as Assistant to the Vice-President and General Manager at Leaside, Ontario, and Mr. Greene will become Ottawa representative of the Sheridan Equipment Co.

"They have all served the Department during a very critical period, and their work has been of great value to Canada" said Mr. Howe. "We are genuinely sorry to see them go, but we gain satisfaction from the fact that private industry in Canada will continue to benefit still more directly from their services."

W.F. Bull, in addition to his duties as Director of the Commodities Branch, has been appointed Director of the Emergency Import

Control Branch. E.J. McWilliams has been appointed assistant Director of the Emergency Import Control Branch. A.F. Cunningham, in addition to his duties as Director of the Projects Division, has been made Director of the Allotment Division.

Since joining the Department of Trade and Commerce in 1929, W.F. Bull has served in the Trade Commissioner Service abroad, and in executive positions in Ottawa. In 1945, he was appointed Director of the Export Division, and in 1949 was made Director of the Commodities Branch.

Born in Toronto, E.J. McWilliams served in the R.C.A.F. during the war. He was with the Personnel Department of the War Assets Corporation in Montreal and Ottawa, 1945-48, and then joined the Emergency Import Control Branch of the Department of Trade and Commerce.

A.F. Cunningham served overseas with the R.C.A. in the first world war. He was employed in the paint and varnish industry, 1920-39; the Department of Munitions and Supply, 1939-44; the War Assets Corporation, 1944-48, and then joined the Emergency Import Control Branch of the Department of Trade and Commerce.

EXPORTS AT PEACETIME PEAK VALUE

RECORD SALES TO U.S.: Boosted by a sharp gain in June, Canada's domestic exports in the first six months of 1950 reached a peacetime record value of \$1,430,600,000, slightly above the previous peak for the first half-year of \$1,424,600,000 in 1949. The value for June was \$289,200,000 -- highest so far this year -- as compared with \$287,000,000 in May, and \$255,100,000 in June last year.

Both in June and the half-year the values of exports to the United States were at the highest levels in the history of Canada-United States trade. In the half-year exports to the United States accounted for 63 per cent of total exports as against 48.5 per cent for the same 1949 period. On the other hand, the value of shipments to the United Kingdom, other Commonwealth countries, Latin America and European countries were lower in value, alike in the month and cumulative period.

SHIPMENTS TO U.S.

Shipments to the United States rose in the half-year to \$904,949,000 from \$690,860,000 in the corresponding period of 1949, a gain of 31 per cent. Value for June was \$177,742,000 compared with \$113,856,000 a year earlier, a gain of no less than 56 per cent.

There were widespread increases among the commodity groups of exports to the United States both in the month and half-year, only one group -- miscellaneous commodities -- being lower. Most marked gain in the six months was registered by the wood and paper group -- by far the largest of the nine main groups -- which rose from \$327,672,000 in 1949 to \$450,377,000. Non-ferrous metals advanced from \$98,375,000 to \$124,760,000, animal products from \$81,740,000 to \$110,807,000, and iron and products from \$62,043,000 to \$65,544,000.

Half-year exports to the United Kingdom fell to \$235,917,000 from \$335,604,000 last year, and in June to \$52,472,000 from \$60,718,000. There were declines in the six months in

six of the nine main commodity groups. Agricultural and vegetable products -- largest of the nine -- fell from \$171,589,000 to \$126,781,000; non-ferrous metals -- second largest -- from \$77,995,000 to \$52,549,000; and wood and paper products from \$36,932,000 to \$12,993,000. Animals and animal products advanced from \$25,518,000 to \$28,080,000.

Shipments to other Commonwealth countries fell in the six-month period from \$158,600,000 in 1949 to \$100,992,000, and in June from \$30,411,000 to \$19,781,000. In the half-year, exports to the Union of South Africa were reduced from \$40,667,000 to \$22,863,000, India from \$41,837,000 to \$14,629,000, Australia from \$16,639,000 to \$16,431,000, and New Zealand from \$6,529,000 to \$4,839,000.

LATIN AMERICAN COUNTRIES

Exports to Latin American countries were moderately lower in the six months at \$60,825,000 compared with \$63,072,000, and in June stood at \$13,949,000 compared with \$14,628,000. In the half-year there were increased shipments to Argentina, Colombia, Cuba, and Venezuela, but decreases to Brazil, Chile, Mexico, Panama and Peru.

Exports to European countries were down sharply in the month and six months. In June the value fell from \$27,279,000 to \$14,422,000, and in the cumulative period from \$114,312,000 to \$74,181,000. Among the larger markets, there were reduced shipments in both periods to Belgium and Luxembourg, France, Germany, Italy, Netherlands, Norway, Portugal and Switzerland.

Exports to other foreign countries in the six months were down to \$46,004,000 from \$46,840,000, but were up in June to \$9,337,000 from \$7,400,000. Exports were higher in the half-year to Japan, Israel, and the Philippine Islands, but lower to China, Egypt, Indonesia, and Turkey.

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WHEAT STOCKS. Stocks of Canadian wheat in store or in transit in North America at midnight on July 13 amounted to 99,633,800 bushels as compared with 101,652,500 a week earlier and 59,794,100 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 2,735,200 bushels as compared with last year's corresponding total of 1,134,100. Cumulative total for the period August 1 - July 13 was 305,115,000 bushels as against 282,340,700 in the similar period of the preceding crop year.

Overseas export clearances of wheat during the week ending July 13 amounted to 2,635,600 bushels, showing a sharp decline from last year's corresponding total of 5,210,600 bush-

els. Cumulative total for the crop year to date aggregated 156,884,100 bushels against 169,099,600 in the similar period of 1948-49.

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APPOINTMENT OF CONSULS-GENERAL: The Department of External Affairs announced on July 27 the appointment of Mr. Edmond Turcotte as Consul-General in Venezuela. Mr. Douglas S. Cole, who is now Commercial Counsellor at the Canadian Embassy in Mexico, will succeed Mr. Turcotte as Consul-General in Chicago. Both Mr. Turcotte and Mr. Cole are expected to return to Ottawa before leaving for their new positions some time in September.

PRODUCTION

The value of products manufactured by dairy factories in Canada showed a further marked rise in 1948 to a new peak total of \$438,496,000, up \$86,123,000 or 24 per cent over the previous record established in 1947. The 1948 aggregate value was more than three times the 1939 total of \$135,813,000.

Domestic production of synthetic rubber moved higher in May, totalling 10,626,600 pounds as compared with 10,313,000 in the preceding month, and reclaim to 976,600 pounds from 768,100.

Output of 11 of 16 of Canada's leading minerals was higher in April and the first four months of this year than in the corresponding periods of 1949, according to figures released by the Bureau of Statistics.

The value of pelts of fur-bearing animals taken in Canada from wild life and fur farms in 1948-49 was \$22,900,000, the lowest total since the 1940-41 season and a decrease from the preceding year of 29 per cent.

Production of refined petroleum products rose almost 32 per cent in February over the corresponding month last year, while the inventories at refineries at March 1 were down eight per cent from last year. The month's output amounted to 6,701,314 barrels as compared with 5,848,860 a year ago, and the March 1 stocks totalled 12,948,642 barrels against 14,099,067.

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BORDER TRAFFIC OFF: Highway traffic entering Canada from the United States in May was one per cent lower in volume than in the same month last year. This decrease followed an unbroken series of month-to-month advances commencing in November, 1948. A drop of three per cent in the volume of United States vehicles entering Canada during the month more than balanced a gain of five per cent in Canadian traffic returning from the United States.

Total border crossings in the month were 809,700 as compared with 816,300 in the corresponding month last year. United States vehicles numbered 561,500 as compared with 579,100, and returning Canadian vehicles totalled 248,300 as compared with 237,200.

In the first five months of 1950, border crossings aggregated 2,865,000 as compared with 2,757,300 in the corresponding period of 1949. United States vehicles in the five months totalled 1,901,600 as compared with 1,894,300, and Canadian vehicles returning totalled 963,400 as compared with 863,000.

CANADA-FRANCE AIR SERVICE A bilateral agreement for air services between Canada and the Republic of France was signed on August 1 in Ottawa. The Minister of Transport, Mr. Chevrier, signed on behalf of Canada while Mr. Jean Basdevant, Chargé d'Affaires ad interim of the French Embassy in Ottawa, signed on behalf of his Government.

The agreement provides for direct carriage of traffic between Canada and France. Montreal and Paris have been designated as the airports at which France and Canada may exercise their respective traffic rights.

It is understood that Air France, the airline which will be designated by the French Government to operate the Paris-Montreal route, has already opened an office in the new International Aviation Building in Montreal and plans to inaugurate commercial flights in the early autumn of this year. Trans-Canada Air Lines, which will be designated as the Canadian airline to operate on this route, is surveying the possibility of initiating operations some time prior to the main summer traffic season of 1951.

The inauguration of these air routes will serve to cement the good relations which have existed between Canada and the Republic of France for so many years.

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LABOUR INCOME ADVANCES: Labour income continued to move upward in April, when the estimated total of salaries, wages and supplementary income amounted to \$642,000,000, an increase of \$9,000,000 over March and \$32,000,000 or five per cent greater than the estimated total of \$610,000,000 in April, 1949. During the four months ending April, estimated labour income rose to \$2,520,000,000 from \$2,428,000,000 in the similar 1949 period, or by nearly four per cent.

Seasonal influences affected the rise in April over March. With the opening of navigation, employment in water transportation showed an increase which contributed to an advance of \$3,000,000 in utilities, transportation, communications and storage. Construction was higher by \$2,000,000; manufacturing by \$1,000,000; and finance and services by \$3,000,000. On the other hand, the primary industries total was unchanged, a sharp seasonal decline in logging employment resulting in decreased labour income in that field.

Compared with April last year, increases in labour income were general in the month. Labour income in manufacturing advanced to \$219,000,000 from \$213,000,000; in utilities, transportation, communication, storage and trade to \$171,000,000 from \$163,000,000; in finance and services to \$148,000,000 from \$134,000,000; in construction to \$41,000,000 from \$39,000,000; and in agriculture, logging, fishing, trapping and mining to \$41,000,000 from \$40,000,000. Supplementary labour income moved up to \$22,000,000 from \$19,000,000.

NATIONAL NOTES.

General MacArthur's Tokyo headquarters announced on July 30 that three Canadian North Star planes had arrived to aid the United Nations in the defence of Korea.

Carloadings on Canadian railways during the week ending July 22 established a new record for the period at 80,663 cars, up 2,462 cars over the preceding week and 6,137 cars or eight per cent over the same week last year. Loadings have been well in advance of 1949 volume since the middle of May and for the last seven weeks have been at peak levels.

The Canadian Air Line Pilots' Association has proposed formation of a Canadian Air transport command to release R.C.A.F. personnel from transport duties.

The annual interchange of air cadets between Canada, Britain and the United States, sponsored by the Air Cadet League of Canada and the R.C.A.F., is under way.

Alex Skelton, 44, Canada's Assistant Deputy Minister of the Department of Trade and Commerce, has been drowned in a yachting accident at Lagos, Nigeria.

Col. F.X. Jennings, Director of Public Relations of the Canadian Army in the Second World War, and former Managing Editor of the Saint John Telegraph-Journal and Evening Times-Globe, died on July 30 at River Beaudette, Soulanges County, Quebec.

Mrs. Vincent Massey, wife of the Right Honourable Vincent Massey, Chancellor of the University of Toronto, and former High Commissioner to the United Kingdom, died at Port Hope, Ontario, on July 30.

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INVENTORIES LOWER: The value of inventories held by Canadian manufacturing establishments was lower at the end of May, declining 1.2 per cent from April and 3.7 per cent from the corresponding month last year, according to index numbers compiled by the Bureau of Statistics. The May index, on the base 1947=100, stood at 126.1 as against 127.6 for April, and 131.0 for May last year.

The consumer's goods index, at 131.2, was down 1.9 points from April, and 0.5 points lower than last year. In the capital goods group the index remained unchanged between April and May at 94.9, but was down 13.8 points from May last year.

FREE X-RAY FOR IMMIGRANTS: Arrangements have been completed to provide free X-ray examination for prospective immigrants from the British Isles and France, it was announced on August 4 by the Minister of Citizenship and Immigration, Mr. Harris. Free X-ray facilities will be available through Immigration offices at London, Liverpool, Glasgow, Belfast, Dublin and Paris. While free medical examination has been supplied at these points for several years, prospective immigrants were required to pay the cost of X-ray examination themselves.

By providing free X-ray examination the Canadian Government is taking a practical step to make it easier for intending immigrants, particularly heads of family units, to complete the necessary arrangements for emigration to Canada.

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SEA FISH LANDINGS HIGHER: June landings in the sea fisheries of Canada -- not including Newfoundland -- amounted to 128,131,000 pounds valued at \$7,985,000, showing an increase of 6.9 per cent in quantity and an advance of 26.5 per cent in value over June last year. Including the value of supplementary landings, the aggregate for June this year was \$8,205,-353.

In the first half of 1950, landings of sea fish rose to 527,555,000 pounds from 470,867,-000 in the corresponding period of 1949, and the value advanced to \$24,079,000 from \$19,-962,000.

Most of the gain in landings and landed value in June occurred on the Pacific Coast, where 18,321,000 pounds were landed as compared with 11,409,000. The value was \$3,095,000 as against \$1,725,000.

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WOOLLEN TEXTILE INDUSTRY RECORD: The gross value of products manufactured by the woollen textile industries of Canada in 1948 reached an all-time high figure of \$142,323,000. This was almost 14 per cent above the previous peak total of \$125,039,000 shown for 1947, and was three and one-third times as large as in 1939.

The industry provided employment for 18,590 persons in 1948, practically the same as in 1947, but salary and wage payments rose from \$29,371,400 to \$34,080,800. Cost of materials used advanced from \$67,236,000 to \$79,088,400.

Woven suitings, dress goods, overcoatings and cloakings (wool or containing wool), which together represent the industry's most important item of production, were produced to the extent of 24,368,700 yards in 1948 as against 26,022,300 in 1947. The value was \$58,247,500, up \$5,062,300 over the preceding year. Production of carpets, mats, rugs and other floor coverings also rose, and the value advanced to \$11,544,000 from \$8,688,000. In 1948 the output of felt was valued at \$9,-927,000, an increase of \$1,037,000 over 1947.

U.S.-CANADA COMMITTEE MEETING: The Joint United States-Canada Industrial Mobilization Planning Committee will meet in Ottawa on Tuesday, August 8. This Committee was authorized by an exchange of notes between the two countries in April, 1949, and the first meeting was held in Washington in June of the same year.

The members are: Mr. W. Stuart Symington, Chairman of the National Security Resources Board, and Mr. Hubert E. Howard, Chairman, Munitions Board, for the United States; and Mr. H.J. Carmichael, Chairman, Industrial Defence Board, and Mr. Sydney D. Pierce, Associate Deputy Minister, Department of Trade and Commerce, for Canada. Mr. Carmichael will act as Chairman.

This, the second regular meeting, is taking place in an atmosphere of intensified preparedness occasioned by the Korean war and the participation of United Nations forces in the Korean action.

The Committee is expected to evaluate the work of its sub-committees over the past year and to outline and discuss future joint activities in the industrial mobilization planning field. The question of joint studies on basic industrial programmes will probably be raised and such matters as joint action on requirements, priorities, allocations and export controls will receive attention. Consideration may also be given to the establishment of principles which might define and motivate the joint use of materials and resources as between the two countries in the event of a major conflict.

The change of approach adopted in the Military Production and Supply Board of the North Atlantic Treaty Organization toward military production and supply problems in their recent meetings in Copenhagen may condition the joint United States-Canada discussions of production and supply problems at this meeting.

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WHOLESALE SALES HIGHER: Dollar volume of wholesale sales was higher in May, increasing 15 per cent over April and six per cent above May last year, according to reports submitted to the Bureau of Statistics by 368 wholesalers in nine lines of trade. Cumulative sales for the first five months of this year practically equalled the dollar volume in the corresponding period of 1949. The general unadjusted index of sales, on the base 1935-39=100, stood at 320.9 for May, 278.9 for April, and 303.0 for May last year.

EMPLOYMENT HIGH: During the first two weeks of July there was a further decline in the number of registrations on file at National Employment Service Offices, the Department of Labour announced on August 2.

As at July 13, there were 183,000 applications for employment, a decline of more than 21,000 during the previous two weeks. The July 13 figure represents a drop of 252,000 from the peak registration figure of 435,000 at April 6 of this year, and is only 38,000 higher than the 145,000 total at the same date in July, 1949.

Employment has reached an all-time high in an increasing number of industries, and shortages of some types of workers have developed. During the first half of July, skilled construction workers were becoming increasingly scarce and farm help was not too plentiful in some areas.

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U.K. DEFENCE COLLEGE VISITORS: Fifteen members of the student body and directing staff of Britain's Imperial Defence College will arrive in Ottawa, Sunday, August 13, by air from England on a 24-day tour of Canada from coast to coast, the Minister of National Defence, Mr. Claxton, announced on August 3.

A similar party from the College came to Canada last year, visiting and inspecting industrial plants and defence installations in the larger centres and in the north. Almost the same cities and stations are to be included in this year's tour, and a week will be spent in the United States before the party returns to the United Kingdom from Montreal on September 1.

The College annually sends its students on summer tours and this will be the second of Canada, half the class coming here and the remainder visiting the Middle East and Germany. The Canadian party is to be headed by two members of the directing staff: Air Vice Marshal W.L. Dawson, CB, CBE, DSO, RAF instructor, and Mr. J.G. Ward, CMG, BA, civilian member.

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WOLVES, CHIPMUNKS FOR ENGLAND: Seven wolf pups and fourteen chipmunks, donated by the federal Department of Resources and Development, to the Dudley Zoological Society in Worcestershire, England, were shipped from Montreal recently. The wolves were captured in Prince Albert National Park, Saskatchewan, and the chipmunks in Georgian Bay Islands National Park, Ontario.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
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WEEK'S EVENTS IN REVIEW

CANADA PLANS SPECIAL FORCE: Canada will recruit an additional army brigade, to be known as the Canadian Army Special Force, to be specially trained and equipped, and to be available for use in carrying the nation's obligations under the United Nations Charter or the North Atlantic Pact, the Prime Minister, Mr. St. Laurent, announced in a nation-wide broadcast on August 7.

Subject to the approval of Parliament, which is to be called into session again in six or seven weeks' time, or earlier if necessary, this brigade will be available for service in Korea as part of the United Nations forces, if it can be most effectively used in that way when it is ready for service, the Prime Minister announced.

The Prime Minister, whose address to the nation followed a series of Cabinet meetings on the international situation, also announced a stepped-up production programme for aircrafts, naval vessels, armament, ammunition, radar and other types of equipment.

The partial text of the Prime Minister's speech is as follows:-

"... There was, of course, nothing really new about the Communist aggression in Korea: the same kind of thing had happened - though not in the same way - over and over again since the end of the war in 1945. What was new was the prompt action of the United Nations, led by the United States, in resisting the Communist attack on Korea.

"The action of the United Nations in Korea is not war; it is police action intended to prevent war by discouraging aggression. That is why Korea is so important to all of us who want to avoid another world war; and that is why the Government at once pledged Canada's support to the United Nations' action in Korea.

"Everyone knows, and every honest person will admit, that all the free countries in the world want to avoid war, and most of us realize that the only way to avoid war is by positive action to prevent it. That is why we set up the United Nations. That is why twelve nations joined in the North Atlantic alliance. The last five years have shown us, however, that peaceful intentions and peaceful policies are not enough to avoid war; and that we must also have the strength to meet and to repel aggression.

"You remember what happened before 1939. One successful act of Fascist aggression followed another, until the Fascist tide of conquest could be stopped only by a world war.

"That must not be allowed to happen again, and it seems clear the only way to prevent it is to call a halt to aggression. That is what is being done now. There is a real chance that the final defeat of the Communist aggressors in Korea will discourage aggression in other places because the risks will appear too great....

"All Canadians have been impressed by the expansion by the United States and Great

WORKER-IMMIGRANTS: A total of 4,489 workers with their families, consisting of 13,067 individuals, were included among the 41,000 workers who had been brought to Canada in the three-year period between June, 1947 and June, 1950, it was announced on August 3 by Arthur MacNamara, Deputy Minister of Labour.

These figures covered only those families which came to this country as a unit and did not include families where the worker was joined by his dependents after his arrival in Canada, the Deputy Minister explained.

Mr. MacNamara pointed out that a two-fold purpose had been achieved by the admission of these new Canadians. A demand for much needed help in certain fields had been partially satisfied, and a new life, new opportunities and restored hope had been granted to many thousands of the unfortunate victims of Nazi aggression.

INTERNATIONAL REFUGEE ORGANIZATION

The vast majority of these people were brought to Canada from Displaced Persons camps, under the auspices of the International Refugee Organization which provided ocean transportation, stated the Deputy Minister.

All the members of the various families who were classified as workers signed agreements with the Department of Labour to work in specified occupations for definite periods, usually a year, Mr. MacNamara said.

The largest group, consisting of 1,294 families made up of 3,644 persons, were employed in the clothing industry as garment workers. A second large group were employed in agriculture. There were some families especially selected for farm work who are available for immediate employment.

Included in the total figures were 643 married couples without children who were employed as couples in domestic work. Also included in the total were 203 widows with 435 children. Many of these women were employed as domestics.

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EXPANSION IN THE NORTH: "Development in the Canadian North is expanding steadily on a sound basis, through the energetic co-operation of private and government agencies", the Minister of Resources and Development, Mr. Winters, has stated in Ottawa.

"The most modern methods of exploration, mining and milling are being employed in the recovery of radio-active minerals, gold and base metals", Mr. Winters said following his return from a three weeks' inspection tour of the National Parks in Western Canada and of departmental activities in the North. Mr. Winters covered over 8,000 miles by air and in addition travelled hundreds of miles by auto and rail.

The Resources Minister stated that "large mining concerns are showing increasingly active interest in the industrial possibilities of the Northwest Territories and the Yukon and

in prospects of oil in the Far North. Transportation and communication facilities are being improved and extended."

The great northern river systems, new highways construction, power projects, mines and mining developments, commercial fishing activities, the Fort Norman oilfield and the Coppermine area on the Arctic Ocean were visited by the Minister.

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WORLD WHEAT SUPPLIES HIGHER: Wheat supplies remaining on or about July 1 in the four major exporting countries for export and carryover at the end of their respective crop years amounted to 687 million bushels, according to the latest available estimates. This is substantially above a year earlier, when 569 million bushels were available.

Large supplies in the United States and Australia account for the increase, estimated quantities in Canada and Argentina being down from last year. Supplies this year, with last year's figures in brackets, were held as follows: United States, 417 (308) million-bushels; Canada, 122 (126); Australia, 88 (63); Argentina, 60 (72).

Total supplies for the four countries are now placed lower than earlier anticipated, due to a downward revision in the estimated carryover in the United States, with completion of the annual crop-year-end survey of stocks, to 417 million bushels from the 450 million forecast. The reduction is accounted for by an increase in estimated domestic disappearance for the crop year, which ends in the United States on June 30.

UNITED STATES ESTIMATE

Harvesting is well under way in the United States winter wheat area and the latest official crop estimate places the yield at nearly 721 million bushels, more than ten million above the previous estimate. Spring wheat production is put at 236 million, making a total probable wheat crop of some 957 million bushels. This is 17 per cent below the 1,146 million bushels harvested last year and the first crop in seven years below a billion bushels.

In Canada, winter wheat is being harvested in Ontario with near-average yields anticipated. Harvest will be late in most of western Canada, where some 25.8 million acres were seeded to spring wheat, but good yields were in prospect at the end of July in nearly all of the major wheat-producing areas.

Prospects for the next Argentine wheat crop are reported to be promising, while reports from Australia indicate that wheat acreage may be reduced somewhat and yields lower than last season. Weather conditions were adverse in parts of Europe early in July but have improved recently, the continent's crop is still expected to equal or exceed last year's output.

SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries increased during May, total transactions amounting to \$50,000,000 as compared with \$42,900,000 in the preceding month and \$29,400,000 in the corresponding month last year. Transactions in the first five months of this year aggregated \$223,000,000 as compared with \$156,800,000 in the similar period of 1949.

Sales in May to all countries were valued at \$25,900,000 as against \$21,000,000 in April and \$14,600,000 a year earlier, and purchases totalled \$24,100,000 compared with \$21,900,000 in April and \$14,800,000 in May last year. Five-month sales to all countries aggregated \$114,600,000 compared with \$80,400,000 a year ago, and the purchases were \$108,400,000 compared with \$76,400,000.

The volume of trade with the United States increased during the month, sales amounting to \$24,600,000 as compared with \$20,100,000 in April and \$14,000,000 a year ago, while the purchases totalled \$21,100,000 compared with \$19,400,000 in April, and \$14,400,000 last year. Five-month sales to the United States were \$108,600,000 compared with \$77,000,000, and purchases, \$95,100,000 compared with \$73,300,000.

Sales to the United Kingdom in the month were valued at \$400,000 compared with \$100,000 in April and \$200,000 last year, and the purchases amounted to \$2,400,000 compared with \$2,200,000 in April, and \$300,000 a year ago.

In the five months, sales aggregated \$2,200,000 compared with \$1,000,000, and the purchases, \$11,200,000 compared with \$1,400,000.

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ACCEPT RECRUITS ON "M" TEST: To further simplify recruiting procedure, the minimum Grade Eight educational requirement in Canadian Army recruiting regulations has been eliminated, it was announced on August 4 by the Minister of National Defence, Mr. Claxton.

Effective immediately army recruits will be accepted or rejected, as far as education is concerned, on results of a general knowledge examination, or "M" test as it is better known to service men. In the past, both a satisfactory "M" test score and proof of at least Grade Eight education were standard army requirements.

Army officials said that the advantage of the "M" test, which indicates potential ability to learn, is that it reveals not only general knowledge of the applicant but also assists personnel officers in placing recruits where their individual abilities will work to the fullest advantage of the service.

"Army experience shows that the 'M' test known to wartime soldiers is sufficiently reliable in itself without proof of formal education," said Mr. Claxton, "The only basic educational requirement for service in the Army will be an 'M' score of 130. Higher scores will be required for other categories.

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LIVING COSTS AT NEW HIGH: The Bureau of Statistics cost-of-living index advanced a further 2.1 points between June 1 and July 3 to reach a new high of 167.5. This compares with an index level of 162.1 a year ago, 156.9 at July, 1948 and 135.9 at July, 1947.

As has been the case for some months, high food prices accounted for most of the latest increase, but rents were also a contributing factor. The food index rose sharply from 209.0 to 214.3, largely as a result of increases in meat, eggs and potatoes. A considerable proportion of the price rise in these items was seasonal, particularly in eggs which advanced 10.4 cents per dozen, and potatoes which rose

8.6 cents per 10 pounds. Average advances per pound in meats were 2.9 cents for beef, 6.0 for lamb, 1.0 for pork, and 1.2 for veal.

The rent index moved from 132.7 to 134.9, reflecting the results of a June rent survey. Fuel and light rose 0.6 points to 137.7, following slight increases for coal and coke in some centres. The index of miscellaneous items strengthened 0.1 points to 132.5, the most notable advance in this group being gasoline prices in British Columbia. The indexes of clothing and home furnishings and services remained unchanged at 180.7 and 166.9, respectively. Slight increases and decreases within these two groups counterbalanced each other.

COST OF LIVING INDEXES
1935-39=100

	Combined Index	Food	Rent	Fuel and Light	Clothing	Home Furnishings and Services	Miscellaneous
July 3, 1950	167.5	214.3	134.9	137.7	180.7	166.9	132.5
June 1, 1950	165.4	209.0	132.7	137.1	180.7	166.9	132.4
July 2, 1940	162.1	207.2	123.4	129.1	183.3	167.5	128.5

CANADA PLANS SPECIAL FORCE

Britain of their defence programmes; and we in the Government feel the security of Canada requires further expansion of our own efforts.

"Obviously it is essential to overcome the aggressors in Korea; it is just as urgent to make the free world as strong as collective efforts can make it to resist aggression anywhere.

"Thus far in Korea itself, the main burden has fallen on the armed forces of the United States. This was because the United States alone had forces immediately available to throw into the struggle. These American forces have resisted a well-armed and well-trained Communist force with outstanding heroism; and the strength to turn the military tide is being built up with the greatest urgency.

WITH THE UNITED NATIONS

"We in Canada took our stand with the United Nations against this Communist aggression. Three Canadian destroyers were at once despatched to Far Eastern waters, and placed under the United Nations command. And we know they are giving a good account of themselves.

"The Government at once considered what other effective immediate help Canada could give in response to the appeal to all the United Nations to contribute to the necessary collective strength.

"On the 19th of July I was able to announce that Canada was providing a long range R.C.A.F. transport squadron for immediate service in the Pacific air lift at a time when transport planes were urgently needed. As you know, the squadron is already engaged in that difficult and essential task.

"We decided at that time to announce only what we could do at once. As to future effective action, we have been giving urgent - and constant - consideration to every possibility.

"Everyone knows that ground troops trained and ready for immediate action with the existing United States forces would be of assistance. The Government considered whether any part of the Canadian army should be despatched to Korea for immediate action. Having in mind other obligations for the employment of Canadian ground forces and the uncertainties of the whole world situation, we reached the conclusion that the despatch, at this stage, of existing first line elements of the Canadian army to the Korean theatre would not be warranted. I announced that decision on July 19th and that remains the view of the Government.

"Let me tell you why. Since our wartime forces were demobilized we have not attempted to maintain, in the Canadian army, a fully trained expeditionary force available for immediate action outside Canada.

"We wanted to get the best value we could for the Canadian taxpayers' defence dollars; and for the army, the first requirements were for our immediate territorial defence and for a basic training establishment. We have de-

veloped an air-borne brigade group highly trained for operations in the North and designed to share in the immediate protection of this continent. We have also maintained an establishment for the rapid expansion of the Canadian army in the event of a general war.

"But, at this time, we have no expeditionary force in being. Moreover, before the aggression in Korea, no definite plans existed for the creation of a United Nations force. And that was certainly not the fault of Canada. As early as 1946 I myself stated to the Assembly of the United Nations that the people of Canada were anxious to know what military contribution they would be expected to make to the international forces to be established under the United Nations Charter. But, in spite of its obligations under the Charter, the Soviet Union, by its wilful obstruction, prevented an international force from being set up.

TWO QUESTIONS

"The action taken by the United Nations in respect of Korea is in fact its first effective attempt to organize an international force to stop aggression. In consequence, the Government and the people of Canada were faced with two questions. First, how much and in what way should we contribute to the United Nations police action in Korea and, secondly, how much and in what way could we increase our ability to participate in other common efforts, either under the United Nations Charter or the North Atlantic Treaty....

"There has been talk of a United Nations Police Division of volunteers and this may in time work out, and be of value for areas other than Korea. If and when such a division is formed along lines considered practicable, the Government will recommend appropriate Canadian participation.

"But we feel the present situation calls for something more immediate. The Government has therefore authorized the recruitment of an additional army brigade which is beginning on Wednesday. This brigade will be known as the Canadian Army Special Force and it will be specially trained and equipped to be available for use in carrying out Canada's obligations under the United Nations Charter or the North Atlantic Pact. Naturally, this brigade will, subject to the approval of Parliament, be available for service in Korea as part of United Nations forces, if it can be most effectively used in that way when it is ready for service. The way in which it could be used in the United Nations force is being discussed with the Unified Command.

"For this new brigade the army wants young men, physically fit, mentally alert, single or married, particularly, just as many veterans of the Second World War as possible. The Brigade will, of course, include infantry, artillery and other elements. The infantry units will be organized as second battalions of the Royal Canadian Regiment, of the Princess

Patricia's and the Royal 22nd. The association of the new brigade with these historic regiments will have numerous advantages.

"In accordance with the policy announced on July 19th, we are also pressing on with recruiting for the other active forces of the Army, for the Navy, and the Air Force which are all being expanded, and for the reserve forces which form such an important part of the defence system of Canada.

"We are accelerating the production of our new all-weather two-seater jet fighter, the CF-100, now known as the "Canuck". Its tests have exceeded expectations. This week will see the test flight of the first of the F-86 Sabres manufactured in Canada.

"We are greatly expanding our capacity to produce the Orenda jet engine.

"At the same time, we are stepping up our production programme for naval vessels, armament, ammunition, radar and other types of equipment.

CO-OPERATION WITH THE U.S.

"We are working in the closest co-operation with the United States to the end that our joint resources and facilities are put to the most effective use in the common defence effort.

"We have in Canada a capacity for defence production far greater than we need to meet our own defence requirements, heavily increased though these will be. We are looking forward confidently to an acceleration and an intensification of our joint production efforts. To this end, the Joint United States - Canada Industrial Mobilization Planning Committee is meeting in Ottawa tomorrow.

"On the closing day of the last session of Parliament, I said that if the situation in Korea or elsewhere should deteriorate and further action by Canada be considered, Parliament would be summoned. The situation in Korea has deteriorated, and the expansion and accelerating of our defence programme will require Parliamentary action. The Government has, therefore, decided that Parliament should be summoned as soon as it is possible to gather the fuller information and to formulate the specific plans we will wish to lay before Parliament. It is now felt that the date is apt to be six or seven weeks hence, though naturally Parliament will be called earlier if it appears that an earlier meeting is required by international developments or would expedite effective action....

"In taking these actions and in formulating the programme to be laid before Parliament, our objective is not to make war. We are, as all our people wish us to, doing our best to prevent war.

"No one can guarantee that, through the action we are all now taking, the free nations will succeed in preventing a general war. We do know that no one of them can do this alone and that our best chance of doing it is by

following wise and progressive international policies and by building up our joint strength with speed and determination. We owe it to ourselves, to each other, to our children, and to each other's children, to do everything human foresight can suggest to prevent the disasters of a third world war. Under Providence I hope and I trust we shall succeed."

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CABINET CHANGES

MR. GREGG VETERANS MINISTER: The Prime Minister, Mr. St. Laurent, announced on August 7 the appointment of Hon. Milton F. Gregg, V.C., Minister of Veterans Affairs for the past two and one half years, to be Minister of Labour, succeeding the late Hon. Humphrey Mitchell in that post.

Mr. Gregg has been succeeded as Minister of Veterans Affairs by Hon. Hugues Lapointe, the former Solicitor General. The Minister of Justice, Mr. Carson, has added Mr. Lapointe's former responsibilities to his portfolio.

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"FRANCONIA" INVESTIGATION: The Minister of Transport, Mr. Chevrier, has ordered a formal investigation to be held into the circumstances attending the recent grounding of the S.S. "FRANCONIA", which stranded on the west end of the Isle of Orleans, just below Quebec, on July 12, a preliminary enquiry having already been held by the Department of Transport.

In announcing his decision, Mr. Chevrier said that he was conscious of the acute interest rightly held by the people of Canada in any occurrence which might tend to cast reflection upon the navigational facilities of that vital link in Canada's transportation system, the St. Lawrence River.

"The St. Lawrence," said Mr. Chevrier, "is considered to be one of the best-marked waterways in the world. The Department of Transport spares no effort in keeping dredged the channel which permits the largest ocean vessels to penetrate over a thousand miles into the heart of the continent, and in keeping in good order the hundreds of lighthouses and buoys which mark that channel...."

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CHAPLAINS-TO-BE IN TRAINING: Twenty officer cadets of the Royal Canadian Army Chaplain Corps, representing both the Protestant and Roman Catholic faiths, are presently training at Camp Borden and Valcartier Military Camp.

Eight of the cadets at Borden are Protestant and are taking the first practical phase of their COTC training, while four Roman Catholic cadets are taking the second practical phase of COTC training there. The eight R.C. cadets at Valcartier are taking the first phase.

BUSINESS

New all-time peaks in financial transactions in the form of cheques cashed in clearing centres were reached in June and the first six months of this year. The total for the month was \$10,044,701,000 as against \$7,216,255,000 in June last year, bringing the half-year aggregate to \$46,514,277,000 as compared with \$41,170,316,000 a year earlier, a gain of 13 per cent.

Department store sales rose 12 per cent during the week ending July 29, according to preliminary figures released by the Bureau of Statistics. All sections of the country participated in the rise except Saskatchewan.

Combined output of the iron and steel group of industries and of transportation equipment industries in 1949 was nine per cent greater in value than in 1948, aggregating \$2,472,000,000 as against \$2,262,000,000, according to a preliminary summary of statistics for these industries.

Gold production in Canada during May maintained the steady upward trend of previous months with an increase of 12 per cent over May last year. Total output for the month was 373,758 fine ounces as compared with 332,442 in May last year.

All fruit crops showed some improvement during the past month but yields, with the exception of raspberries and grapes, are still expected to be well below the 1949 level. The apple crop is currently set at 15,691,000 bushels, two per cent above the June estimate, but 12 per cent lighter than in 1949.

Car loadings on Canadian railways during the week ended July 29 reached a new peak for the period at 81,096 cars, showing an advance of 7,563 cars or 10.3 per cent over the preceding week. Since the middle of May this year the weekly volume has been well above both 1949 and 1948 levels.

Output of crude petroleum and natural gasoline moved up 11 per cent in April over a year earlier, the month's output amounting to 2,045,000 barrels as compared with 1,845,400. During the four months ending April, 8,384,200 barrels were produced as compared with 6,393,400 in the like period of 1949, a rise of 31 per cent.

Stocks of Canadian wheat in store or in transit in North America at midnight on July 20 amounted to 96,718,000 bushels as compared with 99,634,000 on July 13, and 53,659,000 on the corresponding date last year.

APPOINTMENTS

Captain G.E. Fardell, R.N., recently appointed Naval Adviser to the High Commissioner for the United Kingdom in Canada, and Senior Royal Naval Liaison Officer in Canada, arrived in Ottawa on August 7 to take up his new duties. He succeeds Captain Sir Robert W. Stirling-Hamilton, R.N., who is returning to England after two years in Canada in the foregoing appointments.

Appointment of J.R. Robertson, of Toronto, as Superintendent of Airways and Airports of the Department of Transport, Ottawa, to succeed Major Robert Dodds who was recently elevated to the post of Controller of Civil Aviation, was announced on August 4.

Personnel changes in the legal services of the Department of Transport involve the promotion of Jacques F. Fortier, Legal Adviser, to the post of Counsel, and the appointment of Ronald R. Macgillivray of Saskatoon, as solicitor.

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WHOLESALE PRICES AT PEAK: Wholesale prices in Canada reached an all-time high in June, according to the monthly index number of wholesale prices compiled by the Bureau of Statistics. The June index, on the base 1926=100, was 165.0, up 3.2 points over May and 8.7 points over June last year. Since the first of the year it has risen from 157.1. The previous peak for the index was 164.3 registered in May, 1920.

Marked increases in the wholesale prices of nickel, zinc, copper, steel scrap, cheese, pork and lamb carcasses, eggs, raw wool, fir timber, cedar shingles and rolled oats, were large factors in the rise in the general wholesale price index between May and June. On the other hand there were declines in the prices of tallow, oranges, pepper, coconut oil, and soya bean oil.

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AUTO SALES JUMP 40 P.C.: With the much larger number of cars imported from the United Kingdom helping to swell the volume, Canadians bought almost 40 per cent more new passenger cars in 1949 than in 1948. Removal of restrictions which had curtailed imports from the United States also contributed to the increased volume but to a less important degree.

New passenger cars sold in Canada during the year totalled 202,318 as compared with 145,655 in 1948, according to the Bureau's annual report on new motor vehicle sales and motor vehicle financing. This represented 71 per cent of total sales of new motor vehicles as against 65 per cent the previous year.

In all, 286,341 new motor vehicles with a retail value of \$588,724,685 were sold in Canada during 1949 as compared with 221,300 with a retail value of \$439,216,988 in 1948. Truck sales increased 11 per cent over 1948, while sales of buses fell off 27 per cent.

In spite of the high volume of 1949 passenger car sales, there was a considerable backlog of orders at the year's end. In the first three months of 1950 passenger car sales reached an unprecedented high of 71,071, more than one third of the 1949 total and 128 per cent above the first quarter of last year.

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BRIG. ROCKINGHAM TO COMMAND: Brig. John M. Rockingham, CBE, DSO, 38, of Victoria, B.C., has been appointed to command the Canadian Army Special Force, it was announced on August 9 by the Minister of National Defence Mr. Claxton. He is expected to reach Ottawa by air from the coast this week and confer at once with the Chief of the General Staff and other senior officers.

Brig. Rockingham won his present rank during the Second World War when he was given command of the 9th Infantry Brigade ... the famous Canadian Highland Brigade ... during the Normandy campaign. After the war in Europe, he returned to civil life in Victoria as an official of the British Columbia Electric Railway Company. He has since carried on his military activities as a member of the Reserve Force and since 1948 has been officer commanding the 15th (Reserve) Infantry Brigade at Vancouver.

BORN IN AUSTRALIA

Born in Australia and educated in Melbourne, Brig. Rockingham came to British Columbia as a youth and has worked for the B.C. Electric for many years. In 1935 he joined the Canadian Scottish Regiment in Victoria and was mobilized with that militia unit when war broke out in September 1939. In 1942, then overseas and in the rank of major, he was transferred to the Royal Hamilton Light Infantry, and less than a year later was promoted to the rank of lieutenant colonel and given command of that unit.

From April to July, 1944, he attended the Staff College at Camberley then proceeded direct to Normandy to resume command of his battalion which was in action at that time. Less than a month later he was made a brigadier and appointed to command the 9th Brigade, leading it through bitter actions around Caen, the Falaise pocket, Boulogne and the Breskens Peninsula. Units of the brigade were among the first Canadian troops to cross the Rhine into Germany.

Brig. Rockingham won the Distinguished Service Order while leading the Royal Hamilton Light Infantry in Normandy, and a bar to the DSO in the Rhine crossing. After the war he was made a Commander of the British Empire for his outstanding war service.

He was to have commanded a brigade in the Canadian Army Pacific Force and returned from Europe in 1945 for that purpose, but retired to civilian life shortly after the Japanese surrender. He is married and has one son and one daughter.

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CANADA AND CUBA RAISE STATUS OF NEW MISSIONS:

The Department of External Affairs announced on August 10 that the Government of Canada has accepted a proposal by the Government of Cuba to raise the respective legations in Havana and Ottawa to the status of embassy.

Dr. E.H. Coleman, C.M.G., Canadian Minister to Cuba, is at present on leave in Canada. He will be returning to Cuba to resume charge of the Canadian mission.

The Government of Cuba has indicated that the appointment of an ambassador to Canada will be announced shortly. The Cuban Legation in Ottawa has been under the direction of a chargé d'affaires ad interim since the departure of the former Minister Dr. Mariano Brull, on his appointment as Minister to Switzerland, a year ago.

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THE WILL OF THE LATE MR. KING

The Right Honourable W.L. Mackenzie King bequeathed Laurier House, in Ottawa, and his Kingsmere estate to the Government of Canada, it was announced on August 8 with the publication of some of the details of the former Prime Minister's will, disposing of an estate valued at about \$750,000. A sizable proportion of the estate is to be used for the foundation of scholarships, in his own name and that of his father, John King.

The Prime Minister, Mr. St. Laurent, issued a statement expressing appreciation of Mr. King's public bequests.

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WORLD PRICE MOVEMENTS

Living costs continued to move higher in most countries in the second half of 1949, but at a somewhat slower pace. Wholesale price levels generally advanced during the latter part of 1949, although indexes for Switzerland and the United States continued to decline. The devaluation of the pound sterling on September 18 was followed by a general readjustment of nearly all foreign currencies and was reflected in a realignment of international price levels, the Bureau of Statistics reports.

The United States Bureau of Labour Statistics consumer's price index registered a small change between June and December. Moderate declines in food and clothing which exceeded advances in rent and fuel, brought the index down to 167.5 for a net decrease of 1.2 per cent. Due mainly to higher prices for food, the cost-of-living index for the United Kingdom rose two points to 113.

After receding fractionally from a peak of 162.8 in August, the cost-of-living index for Canada closed the year at 161.5, 2.6 points above the comparable level in 1948. Higher levels for rents and fuel were mainly responsible for the change. Australia's cost-of-living index for six capital cities registered an increase of 4.5 per cent to 165.3 between June and December, while the South African index fell 0.3 per cent to 154.2. Index advances in other countries were as follows: France, 12.9 per cent; Peru, 8.9 per cent; Chile, 7.5 per cent; Spain, 5.7 per cent; and Finland, 5.5 per cent.

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ASSISTANT GRAIN COMMISSIONER: Appointment of John Rayner, of Winnipeg, as Assistant Grain Commissioner for Manitoba with headquarters in Winnipeg, effective August 1, was announced on August 10 by the Minister of Trade and Commerce, Mr. Howe.

Mr. Rayner, a combat veteran of the first World War, has had twenty-six years' association with the Canadian grain business, dating from his appointment in February, 1924, to the staff of the Board of Grain Commissioners, of which he has been Secretary since July, 1930.

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BUILDING MATERIALS UP: Wholesale prices of general and residential building materials both moved upward in June, the increase in each case being the largest in recent months, according to the index numbers compiled by the Bureau of Statistics.

The Bureau's wholesale price index for general building materials rose 8.8 points from May to June, advancing from 209.6 to 218.4. Since September, when it stood at 197.6, this index has shown an uninterrupted monthly increase. The latest figure is 17.1 points above the standing of 201.3 in June last year. High point for the index in 1949 was 205.4 in March.

Due mainly to increases in lumber and products, roofing materials and electrical equipment, the composite index of residential

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building materials showed an increase of 8.3 points in June, rising to 238.3 from 230.6 for May. The June increase follows upon a rise of 3.4 points in May after a year of minor changes. The latest figure compares with 228.0 for June last year.

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NATIONAL NOTES

The first Canadian-built F-86 Sabre jet fighter attained a speed of 670 miles per hour in its initial test flight over Montreal airport on August 9.

Canadian young men were lined up at recruiting centers across the country on August 9 and the two-day total of volunteers for the newly-announced Special Force was reported to be 2,300.

Following announcement from Washington that the United States Senate had ratified the Treaty for the diversion of additional water from the Niagara River, Ontario Hydro Chairman R.H. Saunders said the Commission would be able to go ahead within a few weeks with a multi-million dollar power development at Niagara.

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MAJOR STRACHAN'S APPOINTMENT: Major William J. Strachan, 37, of Ottawa, well-known Canadian Army marksman and Bisley shot, has been appointed Assistant Canadian Military Attaché to Sweden and Finland, Army Headquarters announced on August 9.

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SPECIAL FORCE PAY RATES: Rates of pay and allowances for members of the new Canadian Army Special Force will be the same as now being received by the Active Army, it was announced on August 10 by the Minister of National Defence, Mr. Claxton.



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DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

CANADIAN DELEGATION TO UN GENERAL ASSEMBLY:

The Secretary of State for External Affairs, Mr. Pearson, announced on August 16 the composition of the Canadian Delegation to the Fifth Regular Session of the General Assembly of the United Nations. The Assembly is scheduled to open in New York on September 19.

The Delegation will be composed as follows:

Representatives: The Honourable L.B. Pearson, M.P., Secretary of State for External Affairs, Chairman of the Delegation; The Honourable Hugues Lapointe, M.P., Minister of Veterans Affairs, Vice-Chairman of the Delegation; The Honourable J.G. Turgeon; Jean Lesage, M.P.; John Dickey, M.P.

Alternate Representatives: A.D.P. Heeney, Under-Secretary of State for External Affairs; Leon Mayrand, Assistant Under-Secretary of State for External Affairs; R.G. Riddell, Permanent Representative of Canada to the United Nations; C. Fraser Elliott, Canadian Ambassador to Chile; Mrs. D.B. Sinclair, Department of National Health and Welfare.

Parliamentary Advisers: Gordon Graydon, M.P.; another member of the official Parliamentary Opposition (to be designated later); M.J. Coldwell, M.P.; Solon Low, M.P.

Advisers: Appropriate advisers from the Department of External Affairs and other Departments of Government will be appointed to the Delegation at such time and for such periods as their services may be required.

SPECIAL FORCE COMMANDERS: Commanding officers of units in the Canadian Army Special Force and others who will hold key appointments in the new force under Brig. John Rockingham, CBE, DSO, were named on August 14 by Army Headquarters. Officers of both the Active and Reserve Forces have been selected. They are:

Lt.-Col. R.A. Keane, DSO, 36, of Fort William and Ottawa, to be officer commanding the 2nd Battalion, The Royal Canadian Regiment. Lt.-Col. Keane, an officer of the Active Force, is now on the general staff in the Directorate of Military Training at Army Headquarters. He commanded the Lake Superior Regiment in Northwest Europe during the Second World War.

Lt.-Col. J.R. Stone, DSO, MC, 42, of Salmon Arm, B.C., to be officer commanding the 2nd Battalion, Princess Patricia's Canadian Light Infantry. Lt.-Col. Stone, who rose from the rank of private to eventually command his unit, The Loyal Edmonton Regiment, in the Second World War, is now commanding officer of the Rocky Mountain Rangers in the Reserve Force.

Lt.-Col. J.A. Dextraze, DSO, 31, of Montreal, to be officer commanding the 2nd Battalion, Royal 22nd Regiment. Now in the Supplementary Reserve and in the lumbering business near Montreal, Lt.-Col. Dextraze also rose from the ranks to command Les Fusiliers Mont Royal during the closing months of the war in Europe.

CROP OUTLOOK GENERALLY FAVOURABLE

PRAIRIE HARVESTING LATE: Generally good to excellent crop conditions prevail in the Prairie Provinces. Harvesting will be one to three weeks later than usual and frost damage is still a factor to be considered.

Conditions in Manitoba continue to be favourable in spite of the lateness of the season and the occurrence of some lodging. Cutting of fall rye has begun but the spring grain harvest will not be general until the end of August, the Bureau of Statistics reported on August 9.

Moisture supplies are considered to be adequate to mature crops in most areas of Saskatchewan. Yield prospects are good to excellent in eastern and northern districts and, while there is considerable variability over central and west-central districts, an average yield is expected for these areas as a whole. Fall rye yields in the southwest are light and spring grains in this area are expected to yield slightly below normal. Only local hail damage has occurred and insect damage is light, although there is still a threat of further grasshopper damage over central and western districts.

Crop prospects in Alberta have been maintained or improved during the past two weeks and a close-to-average grain crop may be expected. Conditions are quite variable throughout the Province, ranging from patchy in north-central districts to excellent in east-central districts. While the wheat crop is all headed, harvesting is expected to be one to three weeks late. Moisture conditions are now generally satisfactory but rain will be needed for filling in some districts. Considerable

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AUTO SHIPMENTS SET RECORD: Factory shipments of Canadian-made motor vehicles, which have been climbing at a rapid rate in recent months, showed a further sharp rise in June to reach a total of 41,382 -- second highest monthly figure on record. This raised the aggregate for the first six months of the year to 191,765 -- the largest half-year total in the history of the industry.

This year's June shipments compare with 35,281 units in May, 30,096 in June last year, and the record monthly total of 41,901 units in April, 1929. In the first half of last year, 140,115 units were shipped, and in 1948 the total was 129,182 units. The previous peak for the half year was 188,361 units in 1929, when shipments were, to a large extent, concentrated in the first six months of the year.

Most of the gain in June and the half-year over the corresponding 1949 periods occurred in shipments of passenger cars, the month's total advancing from 20,008 to 29,733, and the half-year's from 87,470 to 138,564. Shipments

local hail damage has occurred, being especially severe in the Peace River Block.

Despite late seeding, the outlook for grain production in Ontario has improved steadily and above-average yields are anticipated, provided good harvesting weather prevails during the next three weeks. Heavy rains during the latter part of July and the first three days of August delayed the harvesting of wheat and the completion of haying. There are many excellent fields of winter wheat in central Ontario and harvesting of this crop is further advanced than in a number of counties in south-western Ontario, where wet weather has caused considerable sprouting. Wet weather has also resulted in the deterioration of the quality of a considerable part of the hay crop. On the other hand the aftermath of hay fields and pastures has benefited from the ample moisture supplies in nearly all parts of the Province.

Cool weather in Quebec has retarded the growth of corn and other warm weather crops. Frequent rains have delayed the harvesting of the hay crop in all areas except around Montreal, where it has been completed.

Favourable weather has promoted good growth of grains and hoed crops in the Maritimes and average crops of wheat, oats and barley are expected.

The hot, dry spell in British Columbia was relieved somewhat by rain during the latter part of July. Harvesting of grain is now in full swing in the southern portions of the Province and fall-sown crops are yielding fair to good returns.

of commercial vehicles rose in June from 10,088 to 11,650, and in the six months from 52,645 to 53,201.

Shipments of vehicles for sale in Canada totalled 38,092 in June compared with 27,183 a year earlier, and in the half-year numbered 176,500 compared with 125,262. Vehicles for export numbered 3,291 in June this year against 2,913, and in the six months totalled 15,265 compared with 14,853.

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NFLD. ENGINEERS JUDGED BEST: The 56th Independent Field Squadron, Royal Canadian Engineers (Reserve), of St. John's, Newfoundland, has won the Gzowski cup, emblematic of the best all-round Reserve Force engineering unit in Eastern Canada. The squadron, commanded by Major Sidney Willett, ED, won the trophy on the strength of its fine showing at Petawawa training camp this summer and on the progress made since it took its place in the Canadian Army only last winter.

ARMY CADETS - AND BIG BROWN BEAR: Part One Orders issued by the Royal Canadian Army Cadets at their national camp in Banff, Alta., now include a special notice about bears.

It seems that a big, brown bear was on hand to welcome 50 cadets of "A" Company on their return one day last week from a thrilling ride on the Norquay ski-lift. The bear, about the size of a small elephant -- so the cadets said -- was sitting on the steps of the mountain ski lodge where he had been waiting hopefully for chocolate bar handouts.

When the cadets crowded around with their cameras at a respectful distance, bruin sauntered slowly towards them. And for every step the bear took forward the lads took one step back. By the time the Company Sergeant-Major, F.W. Goodman, reached the bottom of the lift, bruin was surrounded by a solid ring of fine Canadian youths whose chocolate bars were rapidly disappearing down his gullet.

Sgt.-Maj. Goodman soon made it clear to the cadets that park signs, warning that feeding bears by hand is dangerous, are not put up for nothing. Even after the cadets had returned to their tented camp at the foot of towering Cascade Mountain the sergeant-major was still nervous.

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INDUSTRIAL EMPLOYMENT HIGHER: Industrial employment showed a marked upswing at the beginning of June, according to figures received by the Bureau of Statistics from over 20,000 firms in the eight major non-agricultural industries. Aggregate weekly salaries and wages also moved higher.

The staffs on the reporting firms increased almost four per cent over May 1 -- the largest advance at the same date since 1941 -- and the index number rose to a new June 1 peak of 196.0 as against 188.7 at May 1. At June 1 last year it was 194.5. The rise in recorded employment at June 1 as compared with a month earlier was accompanied by an increase of three per cent in weekly salaries and wages.

At \$44.61, average weekly salaries and wages were 38 cents lower than at May 1. Also lower than at April 1 and March 1 this year, the most recent figure of per capita earnings was otherwise the highest in the record; exceeding the June 1, 1949, average by 5.4 per cent.

Conforming to the seasonal pattern, the increase in employment for men at June 1 was decidedly more pronounced than for women. The co-operating firms reported a gain of about 4.8 per cent among their male employees as compared with a rise of 0.5 per cent among females. The general proportion of women was lower than at May 1, but was the same as at June 1, 1949.

On the whole, the trend of employment was favourable in all provinces, in 18 of the 22 cities for which data are available, and in each of the main industrial divisions. Moder-

ate advances were recorded in manufacturing, in which the gain of 1.5 per cent was slightly less-than-average in extent, according to the experience of preceding years, although it was larger than that noted 12 months previously.

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POPULATION TRENDS: Canada's male population increased slightly more in number than the female population during the past year, while the number of persons 60 years of age and over rose somewhat more than the number of children under five but less than the number of children under 10.

According to calculations of the age and sex distribution of the population of Canada (excluding the territories) by the Bureau of Statistics, there were 7,030,300 males at June 1 this year compared with 6,881,800 12 months earlier, while females totalled 6,790,700 compared with 6,643,200. In the year the excess of males over females rose from 238,600 to 239,600.

The past year was the third in which the number of males has risen more than the number of females. Before 1948 the female population was gaining on the male, the excess of males over females dropping each year from 291,700 at the time of the 1941 Census to 22,800 in 1947. Nineteen years ago, the 1931 Census showed 370,200 more males in the nine provinces.

MALES EXCEED FEMALES

The Bureau's estimates show males exceeding females in all five-year age groups under 80. From 80 upwards there are 88,000 females to 80,500 males. All age groups increased in number this year over 1949, except the male and female 20-24 years groups and the male 25-29 years group.

Compared with last year, the number of children under five years increased 2.6 per cent from 1,549,700 to 1,589,700 and the number under 10 by 3.7 per cent from 2,806,800 to 2,910,300. At the same time, persons 60 years old and over rose in number from 1,527,400 to 1,576,000, or by 3.2 per cent. The number of children under five this year is 58 per cent greater than in 1939 and 48 per cent above the 1931 number, while the population over 60 is 44 per cent larger than in 1939 and 81 per cent above 1931.

Canada's male population of military age, in spite of decreases in those 20 to 29 years old, is substantially larger this year than in 1949 and is very much greater than at the start of the second World War. Taking only the classified age groups, the Bureau's estimate shows 1,655,900 from 20 to 34 inclusive this year as compared to 1,640,700 last year and 1,399,200 in 1939, and 2,562,400 from 20 to 44 as against 2,527,100 and 2,123,700, respectively. In the 11 years from 1939 the number from 20 to 34 has thus increased by 256,700 and from 20 to 44 by 438,700.

STANDARDIZATION OF NAVAL OPERATIONS

CANADA, U.S. AND U.K. COMMITTEE: Standardization of naval operations by the United States, the United Kingdom and Canada has been under discussion by a tripartite committee representing the Navies of these three countries, it was announced simultaneously on August 15 by Naval Headquarters in Ottawa, the British Admiralty in London and the Navy Department in Washington.

The committee was composed of the following three officers as senior members from their respective countries: Rear-Admiral R.P. Briscoe, U.S. Navy; Rear-Admiral B.B. Schofield, Royal Navy; and Rear-Admiral F.L. Houghton, Royal Canadian Navy.

Vice-Admiral H.T.W. Grant, Chief of the Naval Staff, recently approved for the Royal Canadian Navy the report of this committee.

The report calls for staff discussions to determine common objectives in the overall fields of naval warfare wherein standardization will be practicable and beneficial.

The staff discussions will take place in the broad fields of: Sea Command Tactical Requirements, Communications, Naval Control of Shipping, Naval Air Operations, Air Defence of Forces at Sea, Submarine Operations, Anti-Submarine Operations, Minelaying Operations, Mine Countermeasure Operations, Operations by Coastal Forces, Amphibious Operations, Defence of Ports and Bases, Sea Exercises and Training, and Logistic Doctrines.

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MR. MCGREER TO WARSAW: The Department of External Affairs announced on August 11 that Mr. Edgar D'Arcy McGreer was proceeding to Warsaw in the immediate future to take charge of the Canadian Legation in Poland.

Mr. McGreer is a senior career officer of the Department of External Affairs, having joined the Department in 1927 and having served in Geneva, Paris, Washington, Tokyo and, since 1946, as Canadian High Commissioner in South Africa.

Mr. McGreer will succeed Mr. Kenneth Porter Kirkwood, another senior career officer of the Department, who has been Canadian Chargé d'Affaires in Warsaw since the Legation was opened there in April, 1947.

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HARVESTERS MOVEMENT: The annual Federal-Provincial movement of harvesters to the prairie provinces is due to commence this week with the bulk of the movement taking place late in August, it was announced by the Minister of Labour, Mr. Gregg, on August 11.

While the exact number required for the movement is not yet known, it is expected that at least 2,000 will make the trip. The crop is expected to be considerably heavier than last year although somewhat later, the Minister pointed out.

These discussions will be followed by detailed studies of individual items. These will be carried out by working level members from the naval staffs of the three nations and will aim at the gradual development of common designs and standards in arms, equipment and training methods.

The work of this committee has been a part of the overall tripartite arrangements for collaboration in the broader military standardization programme among all the Armed Forces of the three countries. The detailed studies which will follow the staff discussions are a step toward the fulfilment of the wider arrangements in general military standardizations under the North Atlantic Treaty Military Production and Supply Board which call for promotion of standardization in military equipment in the North Atlantic area. These arrangements are similar to ones already made by the Brussels Treaty Powers.

The arrangements made will reduce the operational and technical obstacles to co-operation among the navies and will achieve the greatest possible economy in the use of combined resources and efforts.

The co-operation arrangements to be made for this purpose do not impair the control of any country concerned in any activity in its territory. No treaty, executive agreement or contractual obligation has been entered into by the participating nations.

SOLDIER DESIGNS DECORATION: A Toronto-born soldier, Sgt.-Major Bernard Reddie, now of Ottawa, has been revealed as the artist who designed the new and distinctly Canadian "Canadian Forces Decoration", soon to be awarded to servicemen completing 12 years in either the Active or Reserve Forces of the Navy, Army and Air Force. Reddie is staff artist of the Canadian Army Journal, official monthly publication of the Army.

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URBAN LIVING COSTS RISE: Composite cost-of-living indexes for the eight regional cities moved higher during June, mainly reflecting further strength in food prices. Part of the rise in foods was seasonal, notably increases for potatoes and eggs. Higher rentals were registered in six centres, while the indexes for fuel and light remained unchanged for Montreal and Toronto. At these two centres, higher prices for anthracite coal moved the indexes up. Other main groups were generally unchanged to slightly lower.

Composite city index increases between June 1 and July 3 were as follows: Montreal, 2.6 points to 171.6; Saint John, 2.2 to 164.0; Halifax, 2.1 to 158.5; Toronto, 2.1 to 164.2; Edmonton, 2.1 to 163.4; Vancouver, 2.0 to 169.0; Winnipeg, 1.8 to 161.9; and Saskatoon,

1.4 to 166.4. In the same interval the all-Canada index rose 2.1 points to 166.2.

The city indexes show changes in the cost-of-living for each city. They do not indicate whether it costs more, for instance, to live in Montreal than in Halifax, since the basic expenditure pattern was different for each city.

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JUNE RECORD AUTO SALES: Canadians bought more new motor vehicles in June than in any other month on record, exceeding by a wide margin the new peak they established in May and out-numbering by a much greater margin their purchases in June last year.

Sales of new vehicles totalled 45,814 units compared to 40,582 in May and were nearly 65 per cent greater than the 27,829 units sold in June a year ago. Retail value of the month's sales was \$93,475,586 compared to \$57,546,107 last year, a rise of 62 per cent.

Cumulative sales for the half-year totalled 213,906 as compared to 137,721 units in the first half of 1949, an increase of 55 per cent. Retail value aggregated \$429,497,465 as against \$288,989,540, up 49 per cent.

(Half-year shipments of Canadian-made motor vehicles for sale in Canada, as reported yesterday by the Bureau, totalled 176,500 units and shipments of vehicles imported from the United States amounted to 10,350 units. Sales of British-made vehicles in the period were reported as totalling 33,692 passenger cars and 2,314 trucks and buses. Shipments for sale in a given period, of course, do not represent sales in that period).

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HOME BUILDING INCREASES: Starts on the construction of new dwelling units, previously lagging behind 1949, spurted ahead in May to raise the total for the first five months slightly higher than last year's, but the completions were lower both in the month and cumulative period. As a result, the excess over last year in the number under construction increased still further.

Starts in May are estimated at 13,647 as compared with 12,809 in the corresponding month last year, bringing the aggregate for the five months to 30,084 as against 29,671. Completions in the month numbered 6,171 as compared with 7,374, and in the five months totalled 29,441 compared with 32,451. At the end of May there were 58,130 units in various stages of construction as compared with 53,533 a year ago.

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CANADA SAVINGS BONDS: The Minister of Finance, Mr. Abbott, has announced that the Fourth Series of Canada Savings Bonds will be withdrawn from sale on August 31. Applications made before August 31, with arrangements for deferred payment, are not affected.

BUSINESS

Led by a gain of 30 per cent in dealers' sales of motor vehicles, 17 out of 21 trades advanced in June to effect a general increase of eight per cent in retail trade over June, 1949. Cumulative sales for the half-year show a more moderate rise of 4.5 per cent, with 12 of the 21 trades below the first half of 1949. Motor vehicle sales averaged even higher in the six months than in June, with an increase of 35 per cent.

Other marked increases in June were made in lumber and building materials sales which, reflecting current home building activity, went up 21 per cent. Sales of appliances and radios rose 18 per cent, garages and filling stations, 14 per cent; grocery and combination stores, 11 per cent. On the other hand, clothing store sales declined eight per cent in women's and five per cent in men's.

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Department store sales increased 26 per cent during the week ending August 6 over the corresponding week last year, according to preliminary figures. Increased sales were recorded in all sections of the country.

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Canadian output of steel ingots and castings reached a peak total of 1,689,024 tons in the first six months of this year, being slightly above last year's high total of 1,676,041 tons for the same period.

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Shipments of primary shapes by Canadian steel mills, exclusive of producers' interchange, totalled 248,789 net tons in May as compared with 216,723 tons in the preceding month.

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Creamery butter production was four per cent lower in July and the first seven months of this year than in the corresponding periods of 1949. The month's output declined to 36,420,000 pounds from 38,010,000 in July last year, and in the seven months to 155,294,000 pounds from 161,011,000.

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Production of margarine in July amounted to 5,891,000 pounds as compared with 5,525,000 in the corresponding month last year, bringing the total for the first seven months of the year to 54,928,000 pounds against 38,756,000 in the like period of 1949.

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Production of process cheese in July amounted to 2,040,000 pounds, showing a decrease of 18 per cent from the revised figure of 2,503,000 pounds produced in June, and 11 per cent below the 2,296,000 pounds recorded for July last year.

Stocks of Canadian wheat in store or in transit in North America at midnight on July 31 amounted to 99,168,700 bushels as compared with 96,718,000 a week earlier and 54,556,100 on the corresponding date last year.

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Refinery stocks of raw and refined sugar were lower at the end of June than at the same time a year earlier. Raw sugar stocks fell from 123,537,600 pounds last year to 99,000,200, and refined sugar from 201,703,800 pounds to 182,699,600.

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FARM PRICES RISE: A further rise in live-stock prices, together with higher prices for potatoes, poultry and eggs contributed to a substantial increase in the index number of farm prices of agricultural products in June over May, raising it also above June last year. Increased prices for livestock and potatoes out-weighed last year's higher prices for grains, dairy products, poultry and eggs.

Higher prices in June were recorded for all provinces as compared with the preceding month, and were above those of a year earlier in each province except Prince Edward Island, Nova Scotia, Quebec, and British Columbia.

The index for all-Canada, on the base 1935-39=100, stood at 258.2 in June as compared with 249.6 for May and 253.7 for June last year. The index has shown a steady rise from 239.3 in January.

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IMMIGRATION TO CANADA, FOR SIX MONTHS ENDED JUNE 30

	FROM OVERSEAS		FROM U.S.A.	TOTALS
	British	Others		
January	556	2,699	455	3,710
February	855	3,728	376	4,959
March	847	4,427	527	5,801
April	1,434	5,597	484	7,515
May	1,659	6,052	651	8,362
June	1,387	4,801	751	6,939
Totals	6,738	27,304	3,244	37,286

NAVY REMEMBRANCE SERVICE: Two Canadian destroyers will hold a remembrance service this October in waters off the coast of France where a sister-destroyer was lost in action, with 129 officers and men, in 1944.

H.M.C. Ships Huron and Micmac, which are scheduled to take part, with H.M.C.S. Magnificent, in a training cruise in European waters this Fall, will participate in the ceremony.

On October 29, while on passage from Cherbourg to Lisbon, they will part company from the Magnificent and proceed to the area off Ile de Vierge, France, in which the first

H.M.C.S. Athabaskan went down, her guns still firing, on April 29, 1944. There the ships companies of the two destroyers will hold a service of remembrance and place a wreath on the water in honor of those who lost their lives in the sinking of the Athabaskan.

Following the ceremony, the Huron and Micmac will rejoin the Magnificent and proceed to Lisbon.

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AIR CRASH VICTIMS: The nine victims of the crash of an RCAF ice-patrol Lancaster have been buried at Alert, weather station on northern Ellesmere Island, close to where their aircraft crashed on Monday, July 31, it was announced by Air Force Headquarters. Seven of the victims were members of the RCAF and two were civilians. Funeral services were conducted by the ship's chaplain of the United States ice breaker East Wind.

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MR. PIERCE REPRESENTATIVE TO OEEC: The Secretary of State for External Affairs, Mr. Pearson, on August 11, announced the appointment of Mr. S.D. Pierce as Representative of Canada to the Organization for European Economic Co-operation in Paris. Mr. Pierce will have the personal rank of Ambassador. It is expected that he will assume his duties in Paris sometime next month.

Mr. Pierce was in Paris between June and December 1948, in connection with Canadian interests in OEEC and represented Canada at the meeting of the council of OEEC in Paris in July of this year.

Mr. Pierce was born on March 30, 1901, at Montreal. He graduated from McGill University, Montreal, with the degrees of B.A. and B.C.L. In 1940, he joined the Department of Munitions and Supply and became Director-General of its Washington Office. He served as Canadian Executive Officer on the Combined Production and Resources Board and as Canadian Executive Director of the U.S.-Canada Joint War Production Committees.

Mr. Pierce joined the Department of External Affairs on August 1, 1944, and served in Ottawa as Head of the Economic Division until his appointment in March, 1947, as Canadian Ambassador to Mexico. On February 1, 1949, he was appointed Associate Deputy Minister of Trade and Commerce, responsible primarily for procurement for the Armed Forces. He is a member of the Joint U.S.-Canada Industrial Mobilization Planning Committee. He is also Canadian member on the Military Production and Supply Board of the North Atlantic Treaty Organization.

Mr. Pierce has attended the following international conferences: the Interim Assembly of the Provisional International Civil Aviation Organization, Montreal, May, 1946; the First Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, London, October, 1946, and the Sec-

ond Session, Geneva, beginning April 11, 1947; the UNESCO Conference in Mexico City, 1947, as Head of the Canadian Delegation; the Second, Third and Fourth Sessions of the National Assembly of the United Nations and the Economic and Social Council meeting in New York, 1950.

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\$50,000,000 BOND ISSUE IN U.S.: The Minister of Finance, Mr. Abbott, announced on August 16 that the Government proposes to issue in the United States \$50,000,000 Government of Canada Twenty-Five Year 2½% Bonds due 1975. A registration statement covering this issue will be filed shortly with the Securities and Exchange Commission in Washington. These bonds will be direct obligations of the Government of Canada and principal and interest will be payable in United States dollars.

The proceeds from the sale of these bonds will be used to redeem half of the \$100,000,000 principal amount of Government of Canada Thirty Year 4% bonds due October 1, 1960, which have been called for payment October 1, 1950, at the principal amount.

This will result in a substantial interest saving.

The remaining \$50,000,000 of U.S. funds required to redeem the called issue will be paid out of the Treasury of the Government of Canada.

It is proposed that the new issue will be underwritten by a number of United States and Canadian investment bankers headed by Morgan Stanley & Co.

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CANADA-N.Z. AIR AGREEMENT: A Bilateral Agreement for air services between Canada and New Zealand was signed on August 15 in Wellington, New Zealand. Mr. Alfred Rive, Canadian High Commissioner in Wellington, signed on behalf of Canada, while the Honourable F.W. Doidge, New Zealand Minister for External Affairs, signed on behalf of his Government.

The Agreement is similar in form to an air agreement previously concluded with Australia in 1946 and provides for the direct carriage of traffic between Canada and New Zealand from designated airports at Vancouver and Auckland.

Canadian Pacific Airlines has already been designated by the Canadian Government to operate international air services in the Pacific and, since 1949, has maintained a service between Vancouver and Sydney with round trips every two weeks.

The New Zealand Government is a partner in the British Commonwealth Pacific Airlines, which has been operating air services between Australia, New Zealand and Vancouver since 1946. Consequently, the Agreement signed on August 15 will not involve the inauguration of any new services except for the extension of the Canadian Pacific Airlines flights to New Zealand.

FURTHER AID TO UN: Following is the text of a letter delivered by John Holmes, Acting Permanent Delegate of Canada to the United Nations, to Trygve Lie, Secretary-General of the United Nations, at Lake Success on August 11:

"I have the honour to refer to my message of July 1950 concerning additional Canadian assistance to the forces operating in Korea under the authority of the Security Council's Resolution of June 27. In that message I informed you that the Canadian Government had decided to make available to the United Nations a long-range air transport squadron, including ground crews of the Royal Canadian Air Force, for assistance in the Pacific airlift.

"I am instructed to inform you that the Canadian Government has now decided, with the co-operation of Canadian Pacific Airlines, to make available, at once, to the United Nations, the complete passenger facilities of the regular Canadian commercial air service between Vancouver and Tokyo, operated by Canadian Pacific Airlines, on two flights a week west-bound and the equivalent of one flight a week east-bound.

"The detailed arrangement for the participation of these aircraft will be made with the unified command established under the authority of the Security Council."

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RECRUITING AVERAGE 500 DAILY: In the six days after recruiting for the Canadian Army Special Force opened on August 9, a total of 3,027 volunteers were attested and were in training camps or en route, Army Headquarters announced on August 15. Total applications, including those volunteering for the regular Active Force, were over the 11,600 mark at August 15.

The figures of August 14 show that the average daily intake of 500 was slightly bettered, with 531 enlisted at the 13 recruiting stations across the country, and another 1,071 "in process" when returns were made to Ottawa at 5:00 p.m. Toronto was the high centre with 165 signed on; Montreal was second with 88, and Fredericton, N.B., third with 52. Complete figures as of August 14 follow:

	Enlisted	Total	In Process
St. John's	5	38	25
Halifax	6	195	26
Fredericton	52	168	106
Quebec	19	63	21
Montreal	88	659	158
Kingston	31	161	56
Toronto	165	693	260
Ottawa	41	320	190
London	8	145	91
Winnipeg	14	122	68
Regina	29	93	21
Calgary	36	196	48
Vancouver	37	174	1
	531	3027	1071

(Continued from p. 1)

SPECIAL FORCE COMMANDERS

Lt.-Col. A.J.S. Bailey, DSO, MBE, 36, of Duncon, B.C., to be officer commanding the 2nd Field Regiment, Royal Canadian Horse Artillery. A member of the Active Force who served with the Royal Canadian Artillery in Italy and Northwest Europe, Lt.-Col. Bailey is now on the directing staff of the Canadian Army Staff College in Kingston, Ont.

Major B.L.P. Brosseau, MC, 37, of Montreal, to be officer commanding No. 25 Field Ambulance, RCAMC, and to be promoted to the rank of lieutenant-colonel. Lt.-Col. Brosseau is an Active Force medical officer with full wartime service and is now stationed at the RCAMC School, Camp Borden, Ont.

Major H.F. Wood, 36, of Toronto, to be Brigade Major. Major Wood, formerly with the Irish Regiment of Canada, served in Northwest Europe during the Second World War and is now chief instructor at the Royal Canadian School of Infantry, Camp Borden.

Major J.P.L. Gosselin, 39, of St. Malachie, Que., to be Deputy Assistant Adjutant and Quartermaster General. Major Gosselin is an Active Force officer and served during the Second World War in Italy and Northwest Europe. He is now Resident Staff Officer in the Canadian Officers' Training Corps at the University of Montreal.

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WHEAT ESTIMATE 544,000,000 BUSHELS: Canada's 1950 wheat crop is currently forecast at 544,000,000 bushels, the Bureau of Statistics reports in its latest survey, dated August 15. If a crop this size is realized, it will be the third largest in the country's history, being exceeded only in the years 1928 and 1942 when 567,000,000 and 557,000,000 bushels, respectively, were harvested. By way of contrast, the five-year 1945-49 average production of Canadian wheat was 366,000,000, and the 10-year 1940-49 average, 394,000,000 bushels. The total acreage seeded to wheat in Canada this year, at 27,000,000 acres, is below the record 28,700,000 seeded in 1940, but the average yield per acre of 20.1 bushels is well above the long-time average of 16 bushels per acre.

In the Prairie Provinces the wheat crop is expected to yield 509,000,000 bushels, 172,000,000 above last year's outturn. The anticipated average yield of wheat in the Prairie Provinces this year is 19.7 bushels per seeded acre, with Manitoba averaging 23.5, Saskatchewan 20.1, and Alberta 17.5 bushels per acre. Production in Saskatchewan is placed at 326,000,000 bushels, in Alberta at 127,000,000, and in Manitoba at 56,000,000 bushels. The western wheat crop, particularly in Alberta and to a lesser extent in Saskatchewan and Manitoba, contains a relatively small proportion of winter wheat which is included in these figures.

NATIONAL NOTES

The Canadian railways and 15 international and two Canadian unions, embracing 125,000 non-operating railway employees, are, at this writing, deadlocked in a wage-hour dispute. The unions have called a strike for 6 a.m., local time, August 22. Although the running trades are not involved, a strike would probably mean a complete tie-up of the railways.

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A federal-provincial conference on civil defence is to be held in Ottawa within the next two weeks, it has been announced. The Minister of National Defence, Mr. Claxton, has sent out invitations to all provincial Premiers to send representatives.

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In addition to planting several million infant muskies, bass and trout in lakes and streams, the Ontario Department of Lands and Forests is planning an attempt to bring the Atlantic salmon back into Ontario waters.

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Appointment of Dr. Loris Shano Russell, B.Sc., M.A., Ph.D., F.R.S.C. as Chief of the Zoology Section of the National Museum of Canada, is announced by the Department of Resources and Development. Dr. Russell comes to his new duties from the position of Director, Royal Ontario Museum, Toronto, and from his Associate Professorship in Palaeontology at the University of Toronto.

* * * *

STABLE EMPLOYMENT: Indicating a stable employment situation, both hiring and separation rates in Canadian industries showed a slight decline during the 24 months from September, 1947, to August, 1949, inclusive, according to the second of a periodical series of reports in hirings and separations, covering this period, issued by the Bureau of Statistics.

Based on data collected by the Unemployment Insurance Commission from establishments employing 10 or more persons and having one or more employees insured under the Unemployment Insurance Act, the report shows the number of hirings and separations per 100 persons on the payrolls of all industries thus covered and of 40 selected industries for all Canada. Similar figures are shown separately for the Maritime Provinces, Quebec, Ontario, the Prairie Provinces, and British Columbia (including the Yukon), the selected industries varying to fit the leading industrial activities of each region.

For all Canada, the report shows generally higher rates of hirings than of separations during the spring and summer months; an approach towards equality from September to November, with hiring rates down only slightly from those of summer but separation rates higher; and generally higher rates of separation than of hiring from December to March.



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WEEK'S EVENTS IN REVIEW

PARLIAMENT CALLED ON RAIL STRIKE: Parliament has been called to meet on Tuesday, August 29, to deal, primarily, with the strike of 124,000 non-operating railway employees which became effective at six a.m., local time, on August 22, and paralyzed all rail traffic and telegraph services across Canada.

Dr. W.A. Mackintosh, Vice Principal of Queen's University, and one of Canada's leading economists, had been named mediator in the wage-hour dispute, but three days' conferences and mediation effort in Montreal failed to effect agreement.

The Prime Minister, Mr. St. Laurent, announced the date of Parliament's re-opening on August 23, following an announcement on August 22 that Parliament was being called to meet at once "so that the representatives of all the people may act together in discharging their responsibilities to meet the situation." His statement of August 22 read:

"The Government regrets that all efforts to settle, by collective bargaining, the labour dispute between the railways and the unions have failed and that a nation-wide strike has started.

"The suspension of railway and telegraph

services, particularly with the world situation we face, will quickly create a serious emergency and the Government will have to act to protect the vital interests of the whole national community. Parliament which, in view of the international situation, was to meet at an early date is now being called to meet at once so that the representatives of all the people may act together in discharging their responsibilities to meet the situation.

"Meanwhile, I would hope that, whatever disruption and loss the strike may cause, all of us will recognize that the railway employees concerned have not broken any law applicable to their case.

"The record shows that our railway workers are and have always been responsible and public-spirited Canadians and whatever action the Government may have to take will be intended solely to protect the vital interests of the whole Canadian people.

"As soon as the matter of practicable arrangements for the transportation of Members has been attended to, the Proclamation fixing the actual date for the meeting of Parliament will be published probably later today or tomorrow."

CROP ESTIMATES: Canada's 1950 wheat crop is currently forecast at 544,000,000 bushels, it was reported in the August 15 bulletin issued by the Bureau of Statistics.

Oats production this year is estimated at 433,000,000 bushels, 115,000,000 greater than in 1949, the Bureau also reported. The increase over last year is shared by all provinces except Nova Scotia and British Columbia -- the heaviest gains occurring in Saskatchewan and Alberta. While the forecast production for the current year has been exceeded in nine years, it compares favourably with the 1945-49 average of 342,000,000 and the 1940-49 average of 403,000,000 bushels.

Barley is placed at 184,000,000 bushels, more than 50 per cent greater than last year's fairly small outturn. Anticipated production this year exceeds that of 1949 in all provinces except Nova Scotia -- most of the gain taking place in the Prairie Provinces. If realized, the 1950 crop will be the country's fourth largest -- being exceeded only in the three war years 1942-44. Average production was 145,000,000 for 1945-49 and 161,000,000 bushels for 1940-49.

INCREASE IN RYE CROP

The 1950 rye crop, estimated at 15,400,000 bushels, is half as large again as the 1949 production of 10,000,000 bushels -- most of the increase being accounted for in Saskatchewan and Alberta. The total acreage of rye this year is slightly below that of 1949 but the expected average yield per acre is about five bushels greater. A crop of the magnitude indicated would be the eighth largest in the country's history and compares favourably with the 1945-49 and 1940-49 averages, both of which were somewhat below 13,000,000 bushels.

An increase in the acreage seeded to flaxseed, combined with higher anticipated yields per acre, has brought about a considerable increase in the 1950 flax crop which is currently placed at 5,200,000 bushels. The 1949 outturn was only 2,300,000. Most of the increase is in Manitoba and Saskatchewan. The anticipated production, however, is not large historically and is well below the five-year and 10-year averages of 9,300,000 and 9,800,000 bushels, respectively.

Weather conditions in many parts of Canada were unfavourable to the development of hay and clover crops this year and winter-killing took a heavy toll in some eastern provinces. Production is estimated at only 11,500,000 tons, slightly below the light crop of 1949. A crop of the size now indicated would be the lowest since 1934 and is far below the averages of both the preceding five and 10 years, which stood at 15,300,000 tons and 15,200,000 tons, respectively. The alfalfa crop is turning out better, with the first cutting placed at 2,300,000 tons against the 1949 level of 1,900,000.

This year's potato crop is forecast at 54,500,000 hundredweight, 1,000,000 above last year's production.

The following is the first estimate of the production of the principal grain crops in Canada in 1950, in bushels, with the 1949 figures within brackets: fall wheat, 28,768,000 (24,714,000); spring wheat, 514,922,000 (342,692,000); all wheat, 543,690,000 (367,406,000); oats, 433,063,000 (317,916,000); barley, 184,417,000 (120,408,000); fall rye, 10,417,000 (7,191,000); spring rye, 4,950,000 (2,820,000); all rye, 15,367,000 (10,011,000); flaxseed, 5,165,000 (2,284,000).

The average yields per acre, in bushels, are estimated as follows, with the 1949 averages within brackets: fall wheat, 31.0 (30.7); spring wheat, 19.7 (12.8); all wheat, 20.1 (13.3); oats, 37.4 (27.9); barley, 27.8 (20.0); fall rye, 12.5 (8.2); spring rye, 14.6 (9.1); all rye, 13.2 (8.5); flaxseed, 9.4 (7.1).

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TRADE COMMISSIONER IN NEW YORK: A.E. Bryan, Canadian Commercial Counsellor in London, has been posted as Canadian Government Trade Commissioner in New York City, replacing M.T. Stewart, who goes to Mexico City as Commercial Secretary at the Canadian Embassy, the Minister of Trade and Commerce, Mr. Howe, announced on August 16.

These transfers, effective in November, conform with departmental policy of regularly interchanging key personnel of important posts, and follow the recent appointment of D.S. Cole, former Commercial Counsellor in Mexico, as Consul-General in Chicago.

Both officials have had long and varied experience in Canada's foreign trade service. Since his initial appointment as Junior Trade Commissioner in 1916, Mr. Bryan has served in various posts in the Far East and the United Kingdom. He was for six years Inspector of Trade Commissioner offices, during which his duties took him twice round the world. Since 1946 he has been Chief Canadian Trade Commissioner and Commercial Counsellor in London.

During his twenty years with the Department Mr. Stewart has served in the United Kingdom, China, Japan, Panama and Colombia, prior to his appointment as Canadian Consul and Trade Commissioner in New York, in May, 1947.

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FISHERIES DEPT. APPOINTMENTS: The Department of Fisheries announced on August 16 the appointment of two directors to head re-organized services. Dr. Andrew Lyle Pritchard, Director of Fish Culture Development, becomes Director of Conservation and Development Service. Ian S. McArthur, Director of Economics and Statistics and Associate Director of Marketing Services, becomes Director of Market and Economic Service.

ARCTIC WELFARE TEACHER: Announcement by the Department of Resources and Development of the appointment of A.F. Applewhite of Waterford, Ontario, to the Cape Dorset school on Baffin Island, increases the number of Canada's welfare teachers in the Arctic to six as part of a programme designed to improve the social and economic welfare of the Eskimos.

Mr. Applewhite will be assisted by his wife, formerly Margaret Cody of Galt, Ontario, who is a trained nurse and who will be in charge of the new nursing station of the Department of National Health and Welfare at Cape Dorset.

The School at Cape Dorset is being opened this summer and this will be the first time a Canadian welfare teacher has worked among the Eskimos of that region. The Northwest Territories Administration has provided a school house and a furnished house which is being built for the use of the teacher and his family. Other welfare teachers in Eskimo territory are stationed at Fort Chimo, Port Harrison, Southampton Island, Coppermine and Tuktoyaktuk.

In addition to teaching elementary subjects best suited to Eskimo requirements, the welfare teacher explains the need for conservation and the most effective methods of practising it; how to make the best use of the land and sea resources at their disposal, how family allowances may be spent to best advantage; hygiene and the care of children; care of hunting and fishing equipment on which their livelihood depends, how to play games and generally improve their living conditions. The teachers are supplied with manual training equipment in order to encourage skills, handicrafts, boat building, the repairing of engines, the tanning of skins, and even making soap from seal oil. One of the important text books used in teaching the Eskimos is the "Book of Wisdom" issued by the Department of Resources and Development. Film strips are also used as visual aids to education.

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1949 TOURIST RECEIPTS \$286,000,000: Expenditures in Canada by travellers from other countries and of Canadians travelling abroad both reached all-time peak levels in 1949, but Canadians boosted their spending in other countries over 1948 far more than did visitors to Canada. As a result, Canada's net credit on travel account with all countries was substantially lower than in the previous year.

Travel spending in Canada by visitors from other countries in 1949 aggregated \$286,000,000 as compared with \$280,000,000 in the preceding year, and the expenditures by Canadians abroad totalled \$192,000,000 as compared with \$135,000,000. Canada's net credit on travel account accordingly fell by \$51,000,000, from \$145,000,000 in 1948 to \$94,000,000.

In travel between Canada and the United States, total receipts were \$268,000,000 -- a new peak total -- up \$1,000,000 over the pre-

vious high of \$267,000,000 in 1948, while debits resulting from Canadian travel in the United States rose from \$113,000,000 to \$164,000,000. The net credit on Canada-United States travel was \$104,000,000, down \$50,000,000 from the preceding year's total of \$154,000,000.

In spite of currency restrictions imposed by many overseas countries, expenditures of non-immigrant overseas travellers in Canada were at a record high of \$18,000,000, up 39 per cent over the preceding year. Canadian travellers spent \$28,000,000 in overseas countries during the year -- the highest since 1927 -- and \$6,000,000 above the preceding year. The net debit on overseas travel account was \$10,000,000, as compared with \$9,000,000 the year before.

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HONOUR N.S. ADMIRALS Bronze tablets, commemorating two Nova Scotians who rose to flag rank in the Royal Navy, have been erected on the Museum Building at Fort Anne National Historic Park, Annapolis Royal, Nova Scotia, according to an announcement by the Department of Resources and Development.

Both natives of Annapolis Royal, Philipps Cosby and William Wolseley made a noteworthy contribution to Nova Scotia's seafaring tradition.

Philipps Cosby was born in 1727, entered the Royal Navy in 1745 and after serving in American and European waters was Commander in Chief in the Mediterranean from 1786 to 1790. He became an Admiral in 1799 and died at Bath, England, in 1808.

William Wolseley, born in 1756, entered the Royal Navy in 1769, served in the East Indies and the Mediterranean and rose to the Rank of Admiral in 1819. He died in London, England, in 1842.

The tablets, bearing suitable inscriptions, were erected on the recommendation of the Historic Sites and Monuments Board of Canada by the federal Department of Resources and Development.

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NATIONAL PARKS POPULAR: Canada's national parks are setting new visitor records again this year, according to an announcement by the Minister of Resources and Development, Mr. Winters.

Between April 1st and July 31st, 1,045,110 tourists entered the national parks, an increase of 27,593 over the same period last year -- the highest figure ever reached.

The national historic parks accounted for much of the increase. Fort Chambly National Historic Park in Quebec Province had 38,369 visitors, an increase of more than 17,000 over the same period last year.

Of the scenic national parks, Waterton Lakes in Alberta recorded a new high of 100,533 visitors, 15,000 over the previous year's

record total for the same period. Alberta's Elk Island Park had 95,458, an increase of 21,811, while Prince Albert National Park in Saskatchewan entertained 46,226 tourists, up 11,415 from last year's figures.

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JULY REVENUES, EXPENDITURES. The Minister of Finance, Mr. Abbott, has released a statement compiled by the Comptroller of the Treasury covering revenues and expenditures of the Government of Canada for the month of July.

The statement shows total revenues of the Government for the month of July amounted to \$227.6 million compared with \$204.8 million for the same period a year ago. For the first four months of the fiscal year revenues totalled \$862 million compared with \$879 million in the same period of 1949.

The Comptroller's statement also shows total expenditures for the month of July of \$188.3 million compared with \$153.7 million for July, 1949. Total expenditures for the first four months of this fiscal year amounted to \$609 million compared with \$624.8 million for the same period last year. Ordinary expenditures for the first four months of this fiscal year amounted to \$596.3 million as compared with \$552.6 million in the same period of 1949, National Defence expenditures rising from \$84 million to \$117.8 million.

Revenues for July exceeded expenditures by \$39.3 million - in July 1949 the excess was \$51 million. The budgetary surplus of the Government for the first four months of the fiscal year amounted to \$252.9 million compared with \$254 million in 1949.

In addition to budgetary expenditures reported above, there were non-budgetary disbursements, that is, loans, advances and investments, totalling \$32.3 million in the first four months of this fiscal year, compared with \$79.4 million in the like period of 1949.

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RECORD BORDER TRAFFIC. Foreign vehicles entered Canada on traveller's vehicle permits in greater volume in July than in any other month on record. The total volume of traffic was four per cent higher in July and the first seven months of this year, increased entries being recorded in all areas except Nova Scotia, Manitoba and the Yukon Territory, both in the month and cumulative period.

The total number of entries in July aggregated 471,823 as compared with 453,045 in the same month last year, bringing the cumulative total for the seven months ending July to 1,064,191 as against 1,026,121 in the similar period of 1949.

Entries into Ontario totalled 296,761 in July compared with 285,494 in July last year, Quebec 80,418 compared with 76,193, British Columbia 42,809 compared with 42,592, New Brunswick 29,288 compared with 26,551, and

Alberta 11,422 compared with 10,977. Manitoba's total was 6,271 (7,073 in July, 1949), Saskatchewan 3,848 (3,178), Nova Scotia 674 (676), Yukon Territory 278 (311), and Newfoundland 54 (-).

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REFINED PETROLEUM OUTPUT UP: Production of refined petroleum products by Canadian refineries increased 22 per cent in March over March last year, while inventories at refineries on April 1 were 15 per cent below those of the same date in 1949 and also down from March 1 this year.

March output of refined products amounted to 6,989,009 barrels, an increase of 1,269,622 barrels over the production of 5,719,387 barrels in March last year. Production during the first three months this year aggregated 21,014,884 as compared to 17,846,960 barrels in the first quarter of 1949, an increase of more than 17 per cent.

Output of motor gasoline was up in the month to 3,112,215 from 2,710,634 barrels a year earlier, and in the three months to 9,392,987 from 8,271,382 barrels. Production of light fuel oil was sharply higher both in the month and three months, with the three-month output at 2,592,502 barrels more than 1,000,000 barrels above 1949. There were also substantial increases in both periods in diesel fuel and heavy fuel oil, while naphtha specialties, aviation gasoline, asphalt and lubricating oil were lower.

Stocks of refined products at refineries at the beginning of April totalled 12,140,811 barrels as compared with 12,948,642 at March 1 and 14,302,331 at April 1 last year.

Crude oil received by the refineries during March increased moderately to 7,118,606 barrels compared to 7,086,117 barrels in March, 1949, and in the three months totalled 20,199,028 as against 18,910,218 barrels. Receipts of domestic crude in March increased to 2,262,114 from 1,754,057 barrels last year, while imported crude decreased to 4,926,492 from 5,332,060 barrels. In the three months domestic crude receipts rose nearly 40 per cent to 6,064,313 from 4,336,371 barrels in the 1949 period, and imported crude fell off to 14,134,715 from 14,573,847 barrels.

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HOURLY EARNINGS AT PEAK: Hourly earnings of hourly-rated wage-earners reported by leading Canadian manufacturing establishments advanced to a new peak of 103.5 cents at June 1 from the revised May 1 figure of 102.5 cents, and 99.1 cents at June 1 last year. Due to the Victoria and Ascension day holidays, average weekly earnings of these wage-earners moved down at June 1 to \$43.37 from \$43.67 at May 1, but rose from last year's June 1 average of \$40.43. The hours of work in the week of June 1 averaged 41.9 compared with 42.6 at May 1, and 40.8 a year earlier.

WHEAT CARRYOVER 113,200,000 BUSHELS

LARGEST IN FOUR YEARS: Total Stocks of Canadian wheat in all North American positions on July 31, 1950, were 113,200,000 bushels, some 11,000,000 greater than on the same date a year ago. All stocks at the close of the current crop year were held in Canadian positions as compared with less than 70,000 bushels held in United States positions at the close of the previous crop year. Except for 12,400,000 bushels held on farms, all of the July 31, 1950, stocks were held in commercial positions.

The current wheat carryover is the largest in the past four years but is considerably below the average carryover of either the preceding 10 or 20 years. The average carryover of wheat during the period 1940-49 was 132,700,000 and for 1930-49 was 204,000,000 bushels. The largest recorded carryover was on July 31, 1943, when 594,600,000 bushels were held in all positions.

Rye stocks at 6,600,000 (including over 1,000,000 held in United States positions) were down over 5,000,000 bushels from the July 31, 1949, carryover of 11,900,000.

Total stocks of Canadian oats on July 31 were 44,300,000 bushels, well below last year's level of 60,500,000. Barley stocks at 20,400,000 were also down from the July 31, 1949, figure of 29,700,000 bushels. The carryover of flaxseed stood at 4,500,000 bushels, less than half of last year's figure of 10,700,000 bushels.

Total farm stocks of wheat at 12,400,000 bushels accounted for only 11 per cent of the July 31 wheat stocks this year. At the close of the previous crop year farm-held wheat stocks were 43,400,000 or 42 per cent of the carryover. Farm stocks of oats at 33,600,000 bushels were nearly 15,000,000 below the 1949 level while the barley carryover on farms at 11,300,000 was down more than 7,000,000 from a year ago. Farm-held stocks of flaxseed at July 31 this year amounted to only 107,600 bushels, while 1949 stocks stood at 191,000. Most of the farm-held grain is located in western Canada. The following table summarizes the farm-stocks position in the three Prairie Provinces.

	Wheat	Oats	Barley Bushels	Rye	Flaxseed
Manitoba	1,000,000	4,000,000	2,000,000	100,000	30,000
Saskatchewan	6,000,000	12,000,000	3,000,000	600,000	50,000
Alberta	4,000,000	10,000,000	6,000,000	400,000	25,000
Total	11,000,000	26,000,000	11,000,000	1,100,000	105,000

* * * * *

LABOUR INCOME AGAIN RISES: Estimated total of salaries and wages and supplementary labour income continued during May, the upward movement shown since the beginning of this year. The increase is mainly attributable to the rise in the level of employment.

The month's total amounted to \$659,000,000, showing an increase of \$17,000,000 or 2.7 per cent over the April figure of \$642,000,000, and was \$37,000,000 or six per cent above the May, 1949 estimate of \$622,000,000. During the first five months of this year, estimated labour income rose to \$3,179,000,000 from \$3,050,000,000 in the similar period of 1949, or by four per cent.

Labour income in manufacturing advanced to \$221,000,000 from \$209,000,000 in May last year; in utilities, transportation, communication, storage and trade to \$175,000,000 from \$166,000,000; in finance and services to \$148,000,000 from \$138,000,000; and in construction to \$48,000,000 from \$42,000,000.

The total for agriculture, logging, fishing, trapping and mining declined slightly in May, amounting to \$45,000,000 as compared with \$46,000,000 a year earlier. Supplementary labour income in the month totalled \$22,000,000 as against \$20,000,000.

DEFENCE OF CANADA-U.S. REGION: The Regional Planning Committee of the Canada-United States Regional Planning Group of the North Atlantic Treaty Organization has concluded its fourth meeting, it was announced simultaneously on August 17 in Ottawa and Washington. This Committee is composed of one representative of each member of the Chiefs of Staff Committee, Canada-United States Regional Planning Group. The Chiefs of Staff Committee is composed of the army, navy and air force members of the Canadian and United States Chiefs of Staff.

In accordance with the principles of the North Atlantic Treaty and in the light of guidance furnished by the Defence Committee, the Military Committee and the Standing Group of the N.A.T.O., the Regional Planning Committee has undertaken revision of the integrated defence plan for the defence of Canada-United States region. This revision will be considered by the Chiefs of Staff Committee, Canada-United States Regional Planning Group. Progress in defence planning continues. The defence plan for Canada and the United States is being coordinated, as appropriate, with other regional planning groups of the North Atlantic Treaty.

PEACETIME RECORD FOR EXPORTS

IMPORTS AT NEW PEAK: Canada's merchandise imports reached a record all-time high value and domestic exports were at a peacetime peak in the first six months of this year, imports climbing above the aggregate for domestic and foreign exports. The result was a slight deficit in the half-year commodity trade account as compared with a small surplus in the same period of 1949.

But greater changes occurred in the direction of trade during this half year as the customary disequilibrium which Canada has with each of the United Kingdom and the United States was sharply reduced.

In the six-month period, imports from the United States showed a small decline from a year earlier, but domestic exports rose sharply, and the customary deficit in trade with that country was sharply reduced. On the other hand, half-year imports from the United Kingdom moved higher, while exports were cut sharply and the favourable trade balance with that country fell steeply.

IMPORTS FROM U.K. AT PEAK

In June the values of imports and exports were both maintained at high levels. Imports from and exports to the United States rose in the month, while imports from the United Kingdom reached an all-time peak figure and domestic exports moved to a lower level.

Imports from all countries in the half-year rose to \$1,453,100,000 from \$1,409,400,000 in the similar period of 1949, domestic exports to \$1,430,600,000 from \$1,424,600,000, and foreign exports to \$17,500,000 from \$13,800,000. The resulting deficit in total trade was \$4,900,000 as against a credit of \$29,100,000 in the like period of 1949.

In June, imports from all sources of supply were valued at \$282,500,000 as against \$250,500,000 in June last year, domestic exports totalled \$289,200,000 compared with \$255,100,000, and foreign exports amounted to \$2,600,000 compared with \$2,300,000. The overall credit balance with all countries was \$9,300,000 as against \$6,900,000 a year ago.

Half-year imports from the United States were moderately lower at \$1,004,500,000 as against \$1,008,800,000 in the corresponding period of 1949, accounting for 69 per cent of total imports as against 71 per cent last year, and in June had risen in value to \$188,300,000

from \$176,900,000. Six-month exports rose to \$904,900,000 from \$690,900,000, amounting to 63 per cent of all exports -- an unprecedented proportion -- compared to 48.5 per cent in 1949, and in June advanced to \$177,700,000 from \$113,900,000. The trade deficit for the half year was \$87,600,000, sharply below last year's total of \$308,300,000, and in the month was down to \$8,400,000 compared with \$61,300,000.

Imports from the United Kingdom advanced to \$187,200,000 in the half-year from \$163,200,000, and in June to \$37,100,000 from \$27,000,000. Domestic exports for the half year fell to \$235,900,000 from \$335,600,000, and in June to \$52,500,000 from \$60,700,000. The favourable balance in the six-month period fell to \$50,000,000 from \$174,200,000, and in June was down to \$15,500,000 from \$34,100,000.

Merchandise imports from Commonwealth countries other than the United Kingdom rose in the six months to \$97,100,000 from \$91,300,000 in the similar period of 1949, and were also higher in June at \$23,400,000 compared with \$19,200,000. Half-year purchases from foreign countries other than the United States moved up from \$145,000,000 to \$164,300,000, and in June to \$33,600,000 from \$27,500,000.

LATIN AMERICAN COUNTRIES

Imports from Latin American countries as a group were slightly lower in June at \$15,205,000 against \$15,999,000 a year earlier, but were up in the half year at \$90,054,000 against \$86,450,000. Purchases were higher in both periods from Brazil and Mexico, but lower from Venezuela.

Imports from Europe were valued at \$8,116,000 in June as against \$9,030,000 a year earlier, and in the half year at \$41,588,000 against \$44,703,000. Purchases from Belgium and Luxembourg, France and Italy were lower both in June and the six-month period, but higher from Switzerland.

Purchases from other foreign countries were up to \$10,154,000 in June from \$2,342,000 a year ago, and, in the half year were more than doubled at \$31,746,000 compared with \$13,022,000, due mainly to increased buying of petroleum from Arabia and other purchases from Japan, Netherlands Antilles, Philippine Islands, Siam, and China.

* * * * *

SEEK DENTAL NURSES: The Royal Canadian Dental Corps issued a call this week for female dental assistants to help cope with the increasing demand for dental treatment from the expanding armed forces. The new dental nurses, National Defence Headquarters said, will not be enlisted in the corps as are nursing sisters in the Army Medical Corps. They will retain their civilian status and will in fact be em-

ployed through the Civil Service Commission.

During the Second World War the Dental Corps employed a large number of female assistants in the WRCNS, CWAC, RCAF (WD), but due to the disbandment of these services none now remain. With the extra work coming from the Army's Special Force and from the growing regular forces, the need for female dental assistants has again arisen.

PLACEMENT OF UNIVERSITY GRADUATES

TRIBUTE TO EMPLOYERS: In reviewing a report of the Executive and Professional Division of the National Employment Service on the placement of university graduates and undergraduates in 1950, the Minister of Labour, Mr. Gregg, paid tribute to the employers of Canada for their cooperation in seeing that the large class of 1950 was properly absorbed in gainful occupations.

The Minister stated that of the 17,000 graduates this year only 925 were still registered as unplaced with the National Employment Service on August 1. Many of these were not unemployed, but had taken temporary jobs while awaiting openings that would offer a career in their chosen professions, he explained.

"When one considers that the graduating class of 17,000 was one of the largest on record due to veteran enrolment, it is a tribute to the employers of Canada that only 925 remained to be suitably placed", declared Mr. Gregg.

The report showed that, of the total of 17,000 in the graduating class, about 8,500 were in the following categories: those going on to post-graduate work or colleges of education; those entering professions such as medicine, dentistry, law, theology, and the Armed Services; and those co-eds who were not seeking employment. Of the remaining 8,500, about 2,500 had employment arranged before graduation, or had found a job by their own efforts, while the remaining 6,000 had registered for jobs with the National Employment Service.

In addition to the graduating class, about 12,000 undergraduates had registered for sum-

mer employment with the National Employment Service. By August 1 practically all who wanted work had been employed, although some were not doing the work they most desired.

The Minister pointed out that the worsening of employment conditions which occurred during last autumn and winter had occasioned some fears that difficulty might arise in finding employment for such a large class this spring. The large class of 1949 had been absorbed because there had been a backlog of opportunities still carried over from the immediate postwar years. This backlog had almost entirely been taken care of before the 1950 class came on the employment market. "However", he said, "I am happy to report that this year's campaign has been highly successful, and has reached the expectations of all concerned."

This year's report showed that the successful outcome of the co-operation between employers and placement officials was the result of careful planning. As in previous years a detailed campaign was conducted beginning with a letter to a selected list of 9,000 firms who were deemed most likely to be interested in hiring university students. These letters were mailed last December. In addition to these letters from the Minister all employment officials were asked to bring the subject to the attention of employers and to urge that they submit their requirements as early as possible, and later a publicity campaign through the press was conducted. From all these efforts, and the co-operation of employers, information was received concerning 5,000 openings for graduates and nearly 14,000 for undergraduates.

* * *

BANFF SCHOOL OF FINE ARTS: Nearly 500 students, some of them from places as far away as India, Hungary and England, attended this year's summer classes at the Banff School of Fine Arts, in Banff National Park, Alberta. This was an increase of more than 30 over the previous year. They included twenty scholarship winners whose tuition fees were paid by the School. Some twenty courses covering a wide range of artistic opportunities were offered - painting, vocal and instrumental music, drama, ballet, play and short story writing, handicrafts, oral French, and photography.

The School, which is sponsored by the University of Alberta, has just completed its eighteenth annual summer session. It is gradually acquiring its own facilities for accommodating students. Three attractive modern chalets and a bungalow installation have been completed. In addition a number of bungalow cabins operated by concessionaires in the park have been engaged for the use of students during the summer course. Other students make their own arrangements for accommodation in private homes or in bungalow cabins in Banff and vicinity.

FILM ON OLDER WORKER PROBLEM: The Minister of Labour, Mr. Gregg, announced on August 21 that a film on the problems of employment for the older worker entitled "Date of Birth" had been released this week for showings at meetings of Service Clubs, Boards of Trade and Chambers of Commerce, Trade Unions, and conventions, and to representative employer and employee groups in all major communities.

"Date of Birth" was filmed for the Department of Labour by the National Film Board and will be circulated by local office managers of the National Employment Service in co-operation with the field officers of the Film Board.

The problem of the older worker and employment is now generally recognized in Canada as a national problem not to be resolved in the near future -- in some ways likely to become more difficult of solution as the consistent advance of medical science increases longevity, explained Mr. Gregg.

During the postwar years the federal Department of Labour, in co-operation with the National Employment Service and the Department of Veterans Affairs, has attempted an educa-

tional campaign designed to bring the facts and effects of the problem before the greatest number of responsible citizens. As no immediate solution is available, the important conclusion arrived at from the studies made by the Department and others is that as many as possible older workers must continue in gainful employment as long as possible, the Minister pointed out.

The film "Date of Birth" was designed to bring before employers and responsible citizens the true facts concerning older workers -- their desirable qualities as workers, and the economic necessity of keeping employed this important segment of our population which numbers about one-third of our entire working force, said Mr. Gregg.

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R.N. SUB. ARRIVING SEPTEMBER 1: H.M. Submarine Andrew, a 1620-ton vessel of the Royal Navy, will arrive in Halifax on September 1 to provide anti-submarine training for ships and aircraft of the Royal Canadian Navy, the Minister of National Defence, Mr. Claxton announced on August 22.

The Andrew, under the command of Lieut. R.G. Higgins, R.N., will be based at Halifax from September 1 to December 1, and will carry out a series of exercises with ships of the R.C.N.'s Atlantic Command and aircraft of the Navy's 826 Squadron. The latter will be flying the recently-acquired Avenger anti-submarine aircraft and will operate from the R.C.N. Air Station at Dartmouth, N.S.

The opportunity will be taken to provide specialist personnel of the Torpedo Anti-submarine Branch of the R.C.N. with practical experience in submarine detection and in carrying out attacks on undersea craft.

An "A" Class submarine, the Andrew is one of the newer and larger types in operation with the Royal Navy and is fitted with "snort" apparatus which permits the vessel to operate submerged for long periods.

* * * *

CREDIT UNIONS' CONFERENCE: An international conference on co-operative savings and credit is being held in Lévis, Que., August 24 - 27 under auspices of La Fédération des Caisses Populaire Desjardins. It marks the founding of the first credit union in North America fifty years ago and also honours the memory of the founder, Mr. A. Desjardins.

Canadian credit unions, which are in reality savings and credit lending institutions, hit a new high in 1949, and loaned \$148 million to members during the year. According to preliminary figures prepared by J.E. O'Meara of the Department of Agriculture, Ottawa, there were 2 819 credit unions chartered in Canada in 1949, with 940,427 members and total assets of \$282 million. Total loans since the inception of credit unions amount to \$705 million.

APPOINTMENTS OF MILITARY ATTACHÉS: The Department of National Defence announced on August 21 the appointment of military attachés to Russia and to Poland.

Major Bernard J. Guimond, 29, of Quebec City, has been appointed Canadian military attaché to Russia and promoted to the acting rank of lieutenant-colonel, Army Headquarters announced. He will sail September 1 from Quebec City for Moscow.

At the same time the RCAF announced the appointment of a new air attaché to Moscow, Wing Commander William M. Stephens, of Ottawa and Kingston, Ont., who has been doing staff work with the Canadian Joint Staff in Washington since 1948. He replaces Group Captain L.H. Randall who is returning to Canada.

Lt.-Col. H.A. Phillips, OBE, 39, of Kingston, has been appointed Canadian military attaché to Poland and will leave for Warsaw at the beginning of September. He will have the local rank of colonel while carrying out his duties in the Polish capital. Lt.-Col. E.W. Cutbill, DSO, ED, present Canadian military attaché to Poland is returning to Canada.

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CROP OUTLOOK STILL GOOD: Below-normal temperatures in all three Prairie Provinces have retarded maturity of grain crops, but harvesting will be well under way in many areas next week and should be general by the end of the month. While frost has been reported in many areas, it is not yet possible to assess the extent of the damage. Ample moisture is available to finish out the crop in nearly all districts. Given warmer weather and barring serious losses from frost and lodging, the outlook is still excellent for a large crop of all grains.

Ripening has been delayed in Manitoba by cool weather except at a few points where light soil prevails or where seeding was early. Very little harvesting has been done to date but operations should be under way next week. The outlook for wheat and coarse grains remains good, although lodging has occurred in some areas, particularly in the barley crop.

Cool weather in Saskatchewan continued to delay crop development during the past two weeks and harvesting is not expected to be general before the end of the month. Temperatures during the week were well below normal in all districts and some damage to crops and gardens from frost was reported at many points throughout the Province.

In southern and eastern sections of Alberta swathing is general. Cutting has made little progress elsewhere but should be general in most areas by this week-end as crops are now ripening rapidly. Slight frost damage occurred in central and eastern sections. Heavier damage occurred in northern districts but the effect upon yields cannot yet be assessed. Both snow and frost have struck the crops in the Peace River district and light to severe hail storms have occurred in central parts of the Province.

NON-RESIDENT INVESTMENTS IN CANADA RISE

ESTIMATED AT \$7,977 MILLION: Both non-resident investments in Canada and Canadian direct investments in other countries increased in 1949 over 1948 to reach new high levels in Canadian dollar values.

Total value of non-resident investments in Canada, including Newfoundland, at the end of 1949 is estimated by the Bureau of Statistics at \$7,977 million (Canadian). This compares with \$7,513 million in 1948, not including Newfoundland, and \$7,092 million in 1945 and \$6,913 million in 1939, the first and last years of the second World War.

While the total foreign capital invested in Canada has grown substantially during the last decade, it is still not greatly different from the aggregate value of \$7,614 million in 1939, the previous peak for this group of investments, states the Bureau's report. Foreign investments now represent a lower ratio of the ownership of all investments in Canada than formerly, because of the great development during the war and postwar period which has been largely financed in Canada.

In 1949 the external holdings of Canadian bonds only represented about 14 per cent of the total Canadian funded debt compared with about one-third in 1939. The total bonded debt of Canadian governments and corporations has grown from approximately \$10,000 million in 1939 to an estimated \$21,729 million in 1949, but the total holdings of Canadian bonds outside Canada declined from \$3,508 million in 1939 to about \$3,041 million in 1949. The great rise during the war in the funded debt of the Canadian Government, which was largely financed in Canada, has been the principal factor in the growth in total funded debt and reduction in the proportion of non-resident ownership, while the drop in the actual amount held outside Canada is due to a large extent to wartime repatriations of Canadian bonds

from the United Kingdom.

The recent growth in total non-resident investments in Canada has occurred principally in United States capital. All United States investments rose to an estimated \$5,890 million in 1949 from \$5,588 million in 1948, \$4,990 million in 1945, and \$4,151 million in 1939. Holdings in the United Kingdom also increased in 1949 to an estimated \$1,752 million from \$1,593 in 1948, but at last year's figure were only slightly above the value of \$1,750 million for 1945. In 1939 they amounted to \$2,476 million and in 1930 were above the 1949 total at \$2,766 million. Investments held in other countries also advanced in 1949 to \$335 million from \$332 million the previous year, but were down from \$352 million in 1945.

Of the total United States investments in Canada, direct investments in companies controlled in the United States accounted for \$2,829 million in 1948, the latest year for which these figures are available, as compared to \$2,548 million in 1947, \$2,304 million in 1945, and \$1,881 million in 1939. Besides substantial inflows of capital, states the Bureau, there was a large accumulation of earnings by Canadian branches and subsidiaries in 1948 which were not remitted to parent companies but were reinvested in the Canadian concerns. Largest part of the year's rise was in the manufacturing field, this group of investments increasing \$260 million to a total value of \$1,753 million.

Canadian direct investments outside Canada amounted to an estimated \$893 million in 1949 as compared to \$720 million in 1945 and \$671 million in 1939. Of the 1949 total, \$690 million was in the United States, chiefly in manufacturing and railways. Portfolio holdings of foreign securities in Canada are placed at \$638 million for 1949, up from \$621 million in 1945 but down from \$719 million in 1939.

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CANADIANS IN LANDING OPERATIONS: Canadian seamen from the destroyer, H.M.C.S. Athabaskan, have made two landings on islands off the enemy-held coast of South Korea, Naval Headquarters announced on August 23. No casualties were reported at that date.

In the first operation, a landing party from the Athabaskan supported South Korean naval personnel in the capture of an island. The landing force went ashore unopposed and occupied a village. The Athabaskan seamen later were withdrawn.

In the second operation Athabaskan seamen landed and demolished an enemy installation.

Commanded by Cdr. R.P. Welland, D.S.C., R.C.N., of McCreary, Manitoba, and Victoria, the Athabaskan has taken part in two other actions recently. On both occasions the power-

ful Tribal class destroyer bombarded targets on the enemy-occupied West Coast of South Korea.

H.M.C.S. Sioux, under the command of Cdr. Paul D. Taylor, R.C.N., of Victoria, also has carried out a bombardment assignment recently. The guns of the Fleet V class destroyer blasted enemy installations on an island off the South Korean coast.

H.M.C.S. Cayuga, commanded by Captain J.V. Brock, D.S.C., R.C.N., of Winnipeg and Victoria, senior ship of the three Royal Canadian Navy destroyers in the Korean theatre, was the first Canadian ship to see action. With a Royal Navy frigate the Cayuga penetrated an enemy-held port on the South Korean coast and destroyed or heavily damaged ships, rail terminals and harbor installations.

BUSINESS

Operating revenues of Canadian railways reached a new record high for May at \$80,362,316, showing an increase of 11 per cent or \$8,147,346 over the same month last year, while operating expenses recorded a minor increase of \$1,109,156 to \$70,729,648. Operating income which had been \$84,792 in May, 1949, rose sharply to \$7,123,646, bringing the cumulative total for the first five months of this year to \$10,143,612 against a debit of \$1,494,150 in the same period of 1949.

Carloadings on Canadian railways for the week ended August 12 amounted to 75,433 cars compared with 74,207 cars in the same week last year, up 1.7 per cent or 1,226 cars.

Revenues of Canadian air carriers continued to rise in March, total for the month reaching \$3,202,213 -- a new high for the month -- as compared with \$2,636,426 a year earlier, a gain of 22 per cent. Revenues of all services improved, passenger receipts rising to \$1,937,336 from \$1,518,620; mail to \$608,588 from \$607,486; and freight and excess baggage to \$190,244 from \$161,544.

Production of coal in July amounted to 1,112,000 tons, two per cent below the July, 1949 output of 1,131,342 tons, according to preliminary figures. Cumulative total for the first seven months of this year was 10,700,609 tons, about four per cent above the 10,258,365 tons produced in the similar period of 1949.

Revenue of Canadian fur farms fell off sharply in 1948 from 1947, amounting to \$8,800,000 as against \$13,100,000, a drop of 33 per cent. In 1946 revenue totalled \$9,300,000. The number of fur farms and the capital value also declined.

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SHOW NEW JET FIGHTER: Canada's own new jet fighter, the Avro Canuck, will be flown before delegates to the 4th annual convention of the United States Air Force Association in Boston August 26 and 27, it was announced on August 23 by Air Force Headquarters. An aerobatic team of five Vampire jet fighters from Air Defence Group, St. Hubert, P.Q., will also make an appearance at the convention.

NATIONAL NOTES

Governor Thomas E. Dewey of New York State, was guest of honour at the Central Canada Exhibition, Ottawa, on August 23, International Day, and spoke on, "The Perils Facing Our Countries."

All 10 provinces are being represented at the federal-provincial Conference on Civil Defence, the Minister of National Defence, Mr. Claxton, has announced. As a number of provinces are being represented by the same Ministers as those who attended the conference of Attorneys-General, begun on Monday, August 21, the Civil Defence Conference followed immediately the adjournment of the conference of Attorneys-General.

The Minister of National Defence, Mr. Claxton, said in a radio broadcast on August 22 that Canada's Special Force had filled its own ranks at that date and recruited almost all the men needed for reinforcements for a year. He mentioned no figure.

A 10-inch ritual funeral perfume vase, a product of the fifth century, B.C., unearthed from the ancient tombs of Greece, has been presented to Prime Minister St. Laurent as a token of Canada's good relations with that country.

Appointment of A.H. Gibson, K.C. as Commissioner of Yukon Territory is announced by the Minister of Resources and Development, Mr. Winters.

Members of both the Active and the Reserve Forces of the Canadian Army soon will be wearing neat new shirts of an olive drab colour rather than the regular kahki ones now being issued. Army clothing authorities have announced.

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NEED MINING ENGINEERS: Canada may experience a shortage of mining engineers within a few years if the downward trend in enrolment at Canadian universities for mining engineering continues, the Minister of Labour, Mr. Gregg, stated on August 23.



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WEEK'S EVENTS IN REVIEW

PARLIAMENT HALTS RAIL STRIKE. The general rail strike, which for nine days had paralyzed 40,000 miles of railways, and all telegraph services ended on the night of August 30.

In response to an emergency back-to-work law enacted by Parliament in an all-day, non-stop sitting, leaders of the 17 international and Canadian unions involved issued a nationwide, return-to-work order over the radio at 10:15 p.m. Some workers were back at work in a matter of minutes; trains started to roll again within a few hours.

The prime provision of the Bill passed by Parliament and given Royal Assent on August 30 was that the railways and the unions must resume operation of railroads and subsidiary services within 48 hours after the measure became law. The union spokesmen, Frank H. Hall and A.R. Mosher, had declared before-hand that the strikers would obey such a law. After all-day debate, the Bill was given final reading in the House of Commons at 7:18 p.m.; the Senate, standing by, acted swiftly to give its approval, and Royal Assent was accorded without delay.

The emergency Bill passed by Parliament

assures the workers of receiving at least as much as the final settlement offer of the railways on which negotiations were broken off on the night of August 26. This will give them an immediate wage increase of four cents an hour -- three cents short of the union demand -- and a 40-hour week with pay for 48 hours, effective September 1, 1951, with hotel and water employees included in these benefits.

Under the new law the railways and unions are to resume negotiations immediately, with an arbitrator to be appointed if they fail to reach agreement within 30 days. The arbitrator's decision would be binding on both parties. This provision aroused controversy, but an opposition amendment calling for its deletion was defeated by 175 to 49, with the C.C.F. supporting the Progressive Conservatives.

The Prime Minister, Mr. St. Laurent, had stated on the previous day that the Bill was not intended to provide for any permanent procedure for the handling of labour relations.

The text of the Speech from the Throne, read on August 29 at the opening of the emergency session of Parliament by Viscount Alexander, Governor General, follows:

(Continued on p. 8)

MR. HOWE AT CANADIAN NATIONAL EXHIBITION OPENING

CALLS FOR PREPAREDNESS: The following is the partial text of the address by the Minister of Trade and Commerce, Mr. Howe, at the opening of the Canadian National Exhibition in Toronto, on August 25:

"...While we are here to enjoy ourselves for the moment, we cannot forget that the world is faced with a grim struggle between two opposing ways of life. If that struggle should be lost, the Canadian National Exhibition, and all it stands for, would be surrounded by a very different atmosphere than exists here today....

PEACE AND SECURITY

"I am sure that all of us heartily wish that the ambitious men who are directing the international Communist movement would leave the rest of the world in peace. It would be better for us, and far better for the unhappy people under their control, if the governments of Communist dominated lands would turn their energies to the tremendous task of trying to raise the standard of living of the people in the countries which they control. If they would do that, there would be some hope of giving to these countries a measure of peace, happiness and security, which the rest of us would like them to have, if only because it would also mean peace and security for us.

"There are still good grounds for believing the totalitarian Communist leaders are not prepared to risk a general war to achieve their ends. But we cannot be sure. And we know they have stepped up their efforts by aggression in one part of the world, and by their tactics of infiltration in other parts.

"If the Communists ever succeed in dominating Europe and Asia, the danger to this continent would be very great, and the difficulties of successful defence almost insuperable. That is why we are literally acting in our own defence when we stand with those in Asia and Europe, who are resisting, or preparing to resist Communist aggression, and give them what assistance we can....

"What is our part in this tremendous strug-

gle to save the world from Communist domination? Despite the size of our country and our great resources, our part will necessarily be relatively modest since, after all, we are a nation of only some 14 million people. The larger portion of the load must inevitably be carried by the great powers and particularly by the United States and the United Kingdom. But no people are quicker than Canadians to appreciate that we have a moral duty to assist our larger friends and neighbours. And we recognize that our great resources and the endowments of our people enable us to make an effective contribution.

"Our most immediate task is to strengthen our defences. The Communist aggression in Korea has shown us that we must have larger trained forces in being, available to assist in countering outbreaks there and elsewhere.

DEFENCE PROGRAMME

"In the last two months, our whole defence programme has been accelerated. We are discussing with our friends in the United States and other countries signatory to the North Atlantic Pact how we can best step up production to provide equipment and weapons of war for our allies, as well as our own forces. We must be prepared to do our part under the terms of the United Nations Charter and the North Atlantic Treaty.

"First place must be given to re-armament and to all its implications. In doing this, however, we must not neglect the general strength of our economy and the welfare of our people....

"All of what I have been saying is no short-term programme. It is something to which we must bend our intelligence and energy for years ahead. It will not be easy. Furthermore, we can expect to be living constantly in a period of tension and unrest as no doubt the Communists wish us to do. There will be further unpleasant incidents; there will be threats; there will be disruptions in what we have considered our ordinary peaceful way of living...."

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PHOTOGRAPHING THE ARCTIC: While most Canadians are sweltering in the summer temperatures, a group of Rockcliffe airmen are longing for a little of that sunshine and warmth. They are officers and airmen of the RCAF Photographic Detachment now based on an Arctic Island situated in the midst of Canada's Arctic Archipelago.

This Detachment of 408 Photo Squadron from Rockcliffe Airport have been flying from this northern air base since the middle of June and are carrying out a photographic survey of the islands for the production of aerial maps.

Their task is not an easy one. The hazards of flying over an area lying north of the

Magnetic Pole are great as here the usually-reliable compasses refuse to operate efficiently due to their proximity to the pole.

Maintenance of the aircraft presents a problem in itself. Early in July the air base was still digging itself out from under four-foot-deep snow drifts. The ground crews must carry out the normal aircraft maintenance in temperatures hovering around the freezing mark which is difficult for men accustomed to the balmy climate of southern Ontario.

It is expected that most of this job of photographing the Arctic Islands will be completed before the snow begins to fall again.

When poor weather conditions prevent fly-

ing, a considerable amount of experimenting with magnetic compasses has been carried out by personnel of the Detachment. Barometric Pressure readings have also been observed to determine the heights of various points of land in the area.

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EMPLOYMENT SITUATION: The Minister of Labour, Mr. Gregg, on August 23 issued the following statement on the employment situation in Canada as of August 3:

Canada is experiencing a period of unparalleled prosperity. At present, 97 out of every 100 workers have jobs, with weekly earnings that average the highest on record. Since the first week of April, the number of persons in Canada with jobs has increased by about 300,000. Over the same period, applications for employment on hand at National Employment Service offices have declined by over 278,000.

These facts confirm the views expressed last winter that much of the unemployment which then existed was seasonal and temporary. Several months ago, the late Minister of Labour, Mr. Mitchell, then predicted that there would be a shortage of labour by the middle of this summer. Such is now the case in some industries and areas.

CONSUMER INCOME LEVELS

The employment situation at the beginning of August reflected the continuing high levels of consumer income, the heavy demand for Canadian products in the United States, and the large investment programme, as well as the additional stimulus provided by the defense preparations in both Canada and the United States. In the three weeks ending August 3, the total number of registrations for employment on file with the National Employment Service fell by some 25,000 to 158,100. Although total registrations on hand for Canada as a whole are still some 19,000 above the figure for last year, the increase is only 2,000 in registrations from men. In some areas, the number of men registering with the local employment office is below that of last year. In the Pacific region, the total number of registrations is almost 9,000 below last year's.

Registrations from women, on the other hand, were almost 17,000 higher than at this time last year. In the Ontario region, the increase in total registrations over the comparable week in 1949 is entirely accounted for by the greater number of women registering for work. This increase in the number of women registering is related in part to the somewhat lower level of employment in industries such as textiles and hotels and restaurants which employ large numbers of women workers.

Latest figures indicate that employment in the eight leading industries of Canada is above that of last year. Manufacturing industries such as primary iron and steel, automobiles and electrical apparatus are producing at capacity, and in metal mines, pulp and

paper plants and sawmills, employment is being maintained at close to last year's levels in answer to the heavy demand both domestic and from the United States. In some industries such as primary iron and steel, construction and agriculture, employers are finding some difficulty in obtaining the type of skilled labour required to meet their needs.

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AIR ATTACHÉ TO YUGOSLAVIA. Wing Commander G.A. Folkins, AFC, of Trenton, Ont., and Calgary, Alta., has been appointed assistant Air Attaché to Yugoslavia, it was announced by Air Force Headquarters on August 25.

W/C Folkins, 44, was born in Calgary and there received his early education at the Central Collegiate Institute. Prior to joining the Regular Air Force in 1939, he served with the RCAF Auxiliary. He earned his pilot's wings and served as flying instructor at various stations across Canada including Trenton and Patricia Bay.

He attended the RCAF Staff College in Toronto and later the Empire Central Flying School in England. Later he commanded Air Force Stations at Fort Nelson and Whitehorse, Y.T. For the past year he has been at Trenton as Officer Commanding the Central Flying School.

* * * *

VOCATIONAL TRAINING REPORT. Publication of the Annual Report on Canadian Vocational Training for the fiscal year 1949 to 1950 was announced on August 24 by the Minister of Labour, Mr. Gregg.

The Report covers the activities of the Training Branch of the Department of Labour which is responsible for administering the various projects authorized by the Vocational Training Co-Ordination Act of 1942. The various projects are carried out by means of agreements between the federal Government and the Provinces. These federal-provincial agreements provide federal financial assistance to the Provinces for the operation and development of vocational training.

The Report shows that the Training Branch administered \$7,321,850 of federal funds during the last fiscal year.

* * * *

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on August 10 amounted to 93,521,444 bushels compared with 97,809,705 on August 3 and 52,892,678 on the corresponding date last year. Farmers in the Prairie Provinces marketed 206,505 bushels of wheat during the week ending August 10, a sharp decline from last year's corresponding total of 2,248,255 bushels. Cumulative total for the 10 days of the new crop year was 942,807 bushels as against 3,589,265 in the like period of the preceding crop year.

JULY INDUSTRIAL DISPUTES: Time loss due to work stoppages arising from industrial disputes during July, 1950, was up from the previous month, but was lower than in July, 1949, according to a monthly summary of strikes and lockouts issued by the Minister of Labour, Mr. Gregg.

Five strikes accounted for more than 62 per cent of the total time lost during July. These were: knitting factory workers at St. Jérôme, P.Q.; can and canning equipment factory workers at Toronto and New Toronto, Ontario; aluminum foundry workers at Etobicoke, Ontario; painters and decorators at Toronto; and plumbing supplies factory workers at London, Ontario.

* * * *

GUNS, SEA FURIES FOR NAVY: The Minister of National Defence, Mr. Claxton, announced on August 25 two moves to strengthen Canada's fast-growing peacetime Navy.

The moves were:

1. Placing of a large order for special guns of the latest United States type to be built by Sorel Industries in its gun plant at Sorel, Que.

2. Purchase of additional Sea Fury fighter aircraft from the United Kingdom for the aircraft carrier, H.M.C.S. Magnificent, now enroute to European waters on a training exercise.

Mr. Claxton said the Sea Furies were the latest of their type and "with the Avengers recently acquired from the U.S. and the aircraft we already had, this will provide a full fighting complement for the Magnificent up to 1953, with normal rates of loss."

SPECIAL NAVAL GUNS

The Minister said that the special naval guns to be built at Sorel will be three-inch, and will replace some existing equipment in Royal Canadian Navy ships, as well as to equip some ships now under construction. The guns are high velocity, dual purpose weapons for surface and anti-aircraft operations.

"Arrangements have been under way for some months for licences to manufacture these guns in Canada," said Mr. Claxton. "These have now come through from the U.S. Navy and demonstrates the way our services are co-operating closely with those of the U.S."

The Minister said that some discussion had occurred as to whether Sorel would also make some of these guns for the U.S., and "an order from them would naturally be of immense value to us in increasing output so as to get lower unit costs and making economic a faster rate of production."

The Sorel plant is one of the largest single-gun factories in North America "and one of the few capable of making all the major parts of the modern gun right on the establishment."

During the Second World War, the factory

produced a large number of 25-pounders, many of which are still in service of the Canadian armed forces.

Within the last three or four weeks, Mr. Claxton said, the accelerated programme "has been pressed on and hardly a day passes without my putting forward contract demands for large quantities of new equipment and for modification of ships, aircraft and arms we have already."

In the last week, the Minister said, he had signed orders for aircraft modifications and spares totalling more than \$6,000,000 and "more was coming every day."

* * * *

RCAF SPEEDS TRAINING: Plans to speed up the RCAF's ground-training programme, in connection with expansion of the Service, were announced on August 28 by Air Force Headquarters. Theoretical instruction previously given to newly-enlisted recruits as part of their initial training now is to be made available at a later date, and the initial training period itself will be shortened.

Many ground trades previously have called for a six-month basic training course, and this will be shortened to approximately three months. This reduction will mean an increased output by air force ground training schools, which are expecting larger numbers of recruits as expansion of the RCAF gets underway.

Air Force Headquarters said that the ground-training changes have been under consideration for some time and that their implementation has been speeded by decision to expand the service.

Job analysis surveys showed that in many cases extensive theoretical instruction for ground tradesmen resulted in wastage, according to Air Force Headquarters. In some cases much of the theory was never used, or was not used sufficiently soon after initial training to enable full value to be gained from it.

* * * *

WHOLESALE SALES GAIN: Dollar volume of wholesale sales in June was five per cent higher than in the same month last year, and six per cent above the dollar sales for May this year. Cumulative sales for the first six months this year gained one per cent over the corresponding period of 1949.

The Bureau's general unadjusted index of sales (on the base, average for 1935-39=100), stood at 325.8 for June as compared to 321.5 for May and 310.9 for June last year.

Sales increases were recorded in June over a year ago in all provinces, gains ranging from small increases of one per cent for the Maritime Provinces and British Columbia to nine per cent for Quebec. Cumulative sales for the half-year were practically unchanged from 1949 in Quebec and British Columbia, while in the other provinces increases were below two per cent.

JULY DOMESTIC EXPORTS \$253,700,000

INCREASED TRADE WITH U.S.: A summary of foreign trade figures for July released by the Bureau of Statistics shows a rise in Canada's total domestic exports to \$253,700,000 from \$241,300,000 in July, 1949, and an increase in estimated total imports to \$259,800,000 as compared to \$230,900,000. Domestic exports to the United States increased to \$168,200,000 as against \$104,400,000, but declined to the United Kingdom to \$35,200,000 as compared to \$70,600,000. Estimated imports from the United

States amounted to \$172,000,000 as compared to \$160,300,000, and from the United Kingdom to \$32,800,000 as against \$29,400,000.

The import figures are only preliminary and therefore subject to revision. Final and detailed statistics of imports will not be available for about three weeks. Those for exports will be issued in a few days.

The preliminary figures on the month's foreign trade are summarized in the following table.

	<u>July, 1949</u>		<u>July, 1950</u>	
	<u>Domestic</u>	<u>Foreign</u>	<u>Domestic</u>	<u>Foreign</u>
	(Millions of Dollars)			
<u>Exports:-</u>				
United Kingdom	70.6	0.5	35.2	0.1
Other Commonwealth countries ..	30.0	0.1	16.3	0.1
United States	104.4	1.6	168.2	2.5
Other foreign countries	36.3	0.2	34.0	0.3
Total, all countries	241.3	2.4	253.7	3.0
	<u>July, 1949</u>		<u>July, 1950 *</u>	
<u>Imports:-</u>				
United Kingdom	29.4		32.8	
Other Commonwealth countries ..	15.2		21.8	
United States	160.3		172.0	
Other foreign countries	26.0		33.2	
Total, all countries	230.9		259.8	

* Estimate only. Subject to revision.

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C.T.C.S. OFFICE IN CEYLON: The Minister of Trade and Commerce, Mr. Howe, announced on August 29 that an office of the Canadian Trade Commissioner Service would be established in Colombo, Ceylon, and that Paul Sykes, formerly Canadian Government Trade Commissioner in Singapore, would be transferred to that post.

The value of Canada's trade with Ceylon in 1949 was \$13,794,000 as compared with a value of \$3,871,000 in 1938. Exports to Ceylon last year were valued at \$2,159,000, whereas Canadian imports from Ceylon were valued at \$11,635,000, consisting principally of tea, rubber and desiccated coconut. Although Ceylon is a small market, it is a net dollar earner. It is reasonable to assume, therefore, that with a trade commissioner located in Colombo, the value of Canada's sales to Ceylon can be increased.

The appointment of a Canadian Trade Commissioner to Ceylon will provide for closer liaison with the Consultative Committee for South and Southeast Asia, an office of which was recently established in Colombo to handle administrative problems involving technical assistance for countries in that area.

EMPLOYMENT AND RAILWAY DISPUTE: The following is the partial text of a statement released on August 29 by the Minister of Labour, Mr. Gregg, on employment conditions in relation to the railway dispute:

"One week after the 125,000 railway workers left their jobs as a result of their dispute with the two major companies, about 20,000 workers in other industries had been reported by local National Employment Service offices as laid off temporarily as a result of shortages of materials or of the growing scarcity of storage facilities for finished goods. In addition, some 47,000 non-striking railway employees were out of work for the duration of the strike.

"Lay-offs as a result of the railway strike have occurred in a large number of industries and they have not been confined to any one region. In the first week of the strike, the mining industry has been the hardest hit with some 11,000 persons laid off to date, most of whom were coal miners. Lay-offs have also been numerous in the flour milling and meat packing industries and in plants producing pulp and paper, iron and steel, chemicals and non-

metallic mineral products. There are other lay-offs pending but many firms have been able to make emergency arrangements to continue production at least for a short while.

"These lay-offs have come at a time when shortages of certain types of workers were becoming increasingly apparent across Canada. On the eve of the strike, at August 17, applications for employment on hand with the National Employment Service from men totalled 91,400. This was only 2.3 per cent of the total number of men in the labour force and 7,000 fewer than at the same time last year..."

NATIONAL NOTES

Appointment of Hon. Gaspard Fauteux, former Speaker of the House of Commons, as Lieutenant-Governor of Quebec, to succeed Sir Eugene Fiset, was announced on August 26 by the Prime Minister, Mr. St. Laurent. Simultaneously, the Prime Minister announced that T.W.L. Prowse of Charlottetown has been named Lieutenant-Governor of Prince Edward Island and that C. Laurence Wallace has been appointed Lieutenant-Governor of British Columbia.

Mr. Justice Pierre François Casgrain, Chief Liberal whip in Ottawa for many years and descendant of one of the earliest families to settle in Canada, died in Montreal on August 26 at the age of 64.

Sir Henry Drayton, prominent Conservative and one-time Minister of Finance, died on August 28 in Muskoka, Ontario, at the age of 81.

The Prince Edward Island Legislature has been called to assemble on September 7 to discuss "questions arising out of the present railway strike." The ferry service from Cape Tormentine, N.B., was temporarily tied up in the strike.

Major-General Harry W. Foster, CBE, DSO, 48, general officer commanding Eastern Command with headquarters at Halifax, has been appointed Chief Administrative Officer of the Central European District of the Imperial War Graves Commission at Brussels, Belgium, succeeding Major-General J.H. Roberts, CB, DSO, MC, 58, who is retiring to civil life.

Major Harry F. Cotton, 41, second in command of the 1st Battalion, Princess Patricia's Canadian Light Infantry, has been appointed officer commanding the Ground Training Wing, Canadian Joint Air Training Centre, Rivers, Man.

WEEKLY WAGES AT PEAK: Industrial employment and per capita weekly wages showed further increases at the beginning of July, according to advance figures released by the Bureau of Statistics on August 28. As a result of the gains, the July 1 index of employment in the eight non-agricultural industries reached a new high for that date, and per capita weekly wages rose to an all-time high level.

The advance index number of employment, on the base 1926=100, stood at 201.8 as compared with 196.4 at June 1, and 199.5 on July 1 last year. There was an increase of 4.1 per cent in the general index number of payrolls, and per capita salaries and wages moved up to \$45.20 from \$44.59 at June 1, and \$42.96 at July 1, 1949.

Most industrial divisions for which data are available showed heightened activity as compared with June 1; the improvement was particularly marked in manufacturing, logging and construction. On the whole, the changes generally indicated in the various industrial groups conformed to the seasonal pattern.

There were gains over June 1 in all provinces, advances ranging from two per cent in British Columbia to 8.4 per cent in New Brunswick. The increase in Quebec was 2.2 per cent, and in Ontario 2.4 per cent.

The advance index number of employment in manufacturing was 207.4, as compared with 204.2 a month earlier, and 207.4 at July 1 last year. The latest index number of payrolls in these industries was higher by 3.1 per cent than at June 1, and exceeded by 6.1 per cent the July 1, 1949, figure. The advance figure of per capita weekly earnings of persons employed in larger factories at July 1 stood at \$46.78 as compared with \$46.11 at June 1, and \$44.09 at the beginning of July, 1949.

SPECIAL FORCE ENLISTMENTS 8,129. About 2,000 volunteers were taken on strength in the regular Navy, Army and Air Force from July 20 to August 26, inclusive, it was announced on August 29, by the Minister of National Defence, Mr. Claxton. A recruiting campaign for all three services was launched July 20.

Hundreds of others have been found suitable and are "in process" of joining the regular forces. The enlistments are in addition to the 8,129 men signed on for the Canadian Army Special Force up to 5 p.m. on August 28.

During the July 20 to August 26 period 338 men were attested by the Navy, 1,228 by the Army and 426 by the RCAF. Of the RCAF total 195 were aircrew and 231 groundcrew.

PETAWAWA COMMANDANT: Col. D.K. Todd, DSO, 43, commandant at Camp Borden since March, 1948, has been appointed commandant at Petawawa Military Camp, it was announced on August 30 by Army Headquarters.

MR. PEARSON'S VICTORIA SPEECH: The establishment by the United Nations of a small commission, to work out with representatives of the Republic of Korea, plans for a government of a free and united Korea, once the fighting has ceased, was suggested by the Secretary of State for External Affairs, Mr. Pearson, in an address before the Canadian Club, in Victoria, B.C., on August 21. A partial text of the Minister's speech follows:

"...When the North Korean army made its cynical and aggressive attack on the Republic of Korea, it reflected the determination of Soviet imperialism, using international communism as its spearhead, to extend its sway over Asia, and ultimately over the world. There was nothing new in this communist policy of aggression. The method adopted in Korea, however, in contrast to that hitherto used in Europe, was new, in that an open and armed attack was made. Of course, Mr. Malik is now attempting to convince the United Nations that the North Korean communists were the victims, not the aggressors. He is an ingenious person, and, if instructed to do so, could, I am sure, prove conclusively, to his own satisfaction at least, that a fist has been knocked out by a chin!

MEANING OF OPERATION

"Let us not try to deceive ourselves that we can have protection without special effort. That effort involves - or should involve - far more than a contribution to United Nations forces in Korea. Nevertheless, Korea has provided the shock which has awakened us to its necessity. We should be very clear, therefore, as to what this Korean operation means. If we fail here, we may later fail in more important places.

"The communists will try to represent anything the United Nations does now in Korea as assistance to American imperialists against an Asian people struggling to be free. Mr. Malik is already doing his vicious best at Lake Success, through the technique of the big and constantly repeated lie, to create this fiction. With devilish ingenuity and energy worthy of a better cause, this 'big lie' is being drummed into the minds of the Asian millions day and night, and may have some success. The fact is that in Korea, we are not helping the United States. The United States itself has been the first country to insist on this. We are discharging our obligation as a member of the United Nations in defence of peace....

"In order to get the strong and vigorous support of free Asia for United Nations action in Korea, and, indeed, for United Nations action wherever aggression has to be met, we must also continue to emphasize that the United Nations, in its recent decisions, is concerned only in defeating aggression in Korea, and is not concerned, for instance, with the re-

conquest by the National Chinese Government in Formosa of the mainland of China. There is nothing that the U.S.S.R. would like better than to confuse the Korean and the Formosan issues. There is nothing that the democracies should be more careful to avoid than such confusion. If we do not, we play right into the hands of the communist propagandists, make anxious and uneasy those who wish to maintain a strong and united front against aggression in Korea.

"We must also prove by our policy and action in Korea, and elsewhere in Asia, that the western democracies are not on the side of reaction and opposed to progress. We have made a good beginning in this respect by a policy of economic and technical assistance to Asian countries....

A SELF-GOVERNING KOREA

"In contrast to the kind of economic assistance and co-operative help which the democracies can and are planning to give Asian countries is that proffered by the communists. Any help they give will be given for the purpose of making the Asian territory in question a mere satellite of Moscow, to be used for Moscow's profit, and at Moscow's will. True, communists make certain immediate social and economic changes when they get control of a country, which may appear to be, and indeed often are, beneficial for the workers and peasants. But those changes merely bait the hook of ultimate slavery. That would certainly be the case in Korea, if the northern communists ever conquered that country. Our intervention in Korea, on the other hand, and we must never cease to underline this, even while the fighting is going on, is solely for the purpose of restoring peace and establishing a free, self-governing unified Korea.

"If we can make that clear we will defeat Russian propaganda and we will get the strong support, not only of the Korean people, but of Asian people generally. For that purpose, I think it would be useful if the United Nations were to establish a small commission to work out with representatives of the Republic of Korea, plans for a government of a free and united Korea, once the fighting has ceased in that unhappy land. I am afraid that more will be required in present circumstances than a return to the status quo. To determine what more should be required is, I think, primarily the responsibility and, indeed, the privilege of Asian members of the United Nations. For that purpose, if a commission of the kind I have suggested were formed, I think it would be wise to have the majority of the commission from Asia. We get, these days, a lot of good advice from Asian leaders on the handling of Asian problems. This would be a good occasion to offer them responsibility for translating this advice into action...."

PARLIAMENT HALTS RAIL STRIKE

"Honourable Members of the Senate:

"Members of the House of Commons:

"You were summoned to meet somewhat earlier than was anticipated because of the disruption of railway transportation facilities resulting from the dispute between the railways and the unions representing the non-operating employees of the railways. A measure to deal with this situation will be introduced at once.

"You will also be asked to give urgent consideration to the measures for increased national security and international co-operation required by the fighting in Korea and the increasingly grave international situation which that struggle reflects. That was the original reason for summoning you for this Special Session."

"Members of the House of Commons:

"You will be asked to approve additional appropriations for national defence and the meeting of our obligations under the United Nations Charter and the North Atlantic Treaty."

"Honourable Members of the Senate:

"Members of the House of Commons:

"May Divine Providence continue to protect this nation, and to guide the Parliament of Canada in all its deliberations."

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RETAIL FINANCING RISES: Financing of retail instalment sales by sales finance and acceptance companies in Canada was 37 per cent greater in 1949 than in the preceding year, the gain being due for the most part to a rise in the financing of consumers' goods. Balances outstanding at the end of the year rose 42 per cent.

Reports received by the Bureau of Statistics from 104 companies engaged in the purchase or discounting of notes receivable arising from retail instalment sales, show total retail financing of \$284,730,000 in 1949 as compared with \$208,166,000 reported by 94 companies for 1948. Balances outstanding at the end of the year were \$184,063,000 compared with \$130,120,000.

Consumers' goods -- including new and used passenger cars -- were financed to the extent of \$190,574,000 in 1949, accounting for 66.9 per cent of all retail financing. In the preceding year, the total for consumers' goods was \$122,522,000, or 58.9 per cent of the aggregate. Balances outstanding on consumers'

goods at the end of 1949 were \$115,977,000 compared with \$70,451,000.

Used passenger car financing -- largest item in the consumers' goods category -- rose from \$56,572,000 in 1948 to \$83,001,000, the proportion of the overall total advancing from 27.2 to 29.2 per cent. The greatest expansion, however, occurred in new car financing, which increased from \$38,027,000 in 1948 to \$71,602,000, and from 18.3 to 25.1 per cent of the total. All other consumers' goods increased from \$27,923,000 to \$35,971,000, but the percentage of the aggregate value fell from 13.4 to 12.6.

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HONOUR ICELANDIC-CANADIAN POET: Canada will honour the life and achievements of Stephan G. Stephansson, Icelandic Canadian Poet, at a ceremony on September 4, the Minister of Resources and Development, Mr. Winters, has announced.

The commemoration ceremony will take place at Markerville, Alberta, where the poet settled in 1889 and where he lived until his death in 1927. Ranked among the great poets of modern Scandinavian literature, Stephan G. Stephansson endured the hardships of the pioneer. In much of his work he depicted the life and scenery of Western Canada.

A cut stone monument bearing a bronze tablet has been erected by the Department.

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\$300,000,000 LOAN: The Minister of Finance, Mr. Abbott, announced on August 30 that an issue of Government of Canada Deposit Certificates in the amount of \$300,000,000 dated August 30, 1950, due February 28, 1951, bearing interest at the rate of 7/8 of 1% per annum, has been sold to the chartered banks at par. \$100,000,000 of this issue will be used to retire an issue of 3/4% Deposit Certificates which mature August 30.

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RAF AIRCREW TRAINING: A message received by the Canadian Government on August 29 from the Rt. Hon. Arthur Henderson, United Kingdom Secretary of State for Air, expressed his "warm appreciation" of the Canadian Government's action in arranging for RAF aircrew to be trained in Canada by the RCAF. The training scheme will begin with pilot entries from the United Kingdom arriving in groups of 25 each six weeks, commencing January 15, 1951.

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CANADIAN WEEKLY BULLETIN

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DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

SPECIAL BUDGET TAXES LUXURIES: The following are the highlights of the special budget submitted to Parliament by the Minister of Finance, Mr. Abbott, on September 7, which is designed to curb inflationary pressures and finance Canada's increased defence expenditures:

Personal income taxes unchanged.

Corporation income taxes increased five per cent, retroactive to September 1, 1950.

Liquor taxes increased from \$11 to \$12 a proof gallon, effective immediately.

Tax on malt used in beer increased from 16 to 21 cents a pound, effective immediately.

New 30 per cent tax levied on soft drinks, candy and chewing gum, effective immediately.

Tax of 50 cents a pound levied on carbonic acid gas used in fountain drinks, effective immediately.

No change in rate or application of eight-per-cent sales tax; no revival of excess profits tax; no increase in tobacco taxes.

Excise taxes increased from 10 to 15 per cent on motor cars, tires and tubes, effective immediately.

Excise tax of 15 per cent levied on motorcycles and similar motor-driven vehicles, effective immediately.

Excise taxes increased from 10 to 15 per cent on variety of semi-luxury goods, effective immediately.

Excise tax of 15 per cent levied on golf clubs, golf balls, fishing rods and reels, effective immediately.

Excise tax of 15 per cent levied on variety of electrical household appliances, effective immediately.

Excise tax of 15 per cent levied on firearms and ammunition, except for military and police use, effective immediately.

Yield from new taxes estimated at \$58,900,000 for remainder current fiscal year ending March 31, 1951; \$189,500,000 over a full year.

Surplus of \$15,000,000 expected with revenues estimated at \$2,669,000,000 and expenditures at \$2,654,000,000.

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CONFERENCE ON TARIFFS AND TRADE: The Secretary of State for External Affairs, Mr. Pearson, announced on September 6 the composition of the Canadian delegation to the international Conference on Tariffs and Trade which is scheduled to open in Torquay, England, on September 28.

The delegation will be as follows:

Chairman of Delegation: Mr. L.D. Wilgress, High Commissioner for Canada in the United Kingdom.

Deputy Chairman: Mr. H.B. McKinnon, Chairman, Canadian Tariff Board.

Representatives: Mr. J.J. Deutsch, Department of Finance; Dr. C.M. Isbister, Department of Trade and Commerce; Mr. W.J. Callaghan, Department of Finance; Mr. Louis Couillard, Department of External Affairs; Mr. A.L. Neal, Department of Trade and Commerce; Mr. S.S. Reisman, Department of

RELAXATIONS OF EMERGENCY IMPORT CONTROLS

AFFECTS U. S. MERCHANDISE: The Minister of Trade and Commerce, Mr. Howe, and the Minister of Finance, Mr. Abbott, made a joint statement on August 31 announcing a further substantial series of relaxations in the Emergency Import Controls to take effect October 1, 1950. These relaxations are in several groups and affect all three schedules.

The first group of relaxations consists of those goods which have hitherto been in Schedule I (the prohibited list). The items in this group which will become unrestricted on October 1 include many pulp and paper products, office machinery and appliances, passenger automobile tires, and a long list of small items such as domestic water heaters, cigarette lighters, ash trays, vases, pencil sharpeners, dry cell batteries, and watch straps and bracelets. Pork and pork products will become unrestricted on December 31.

The second group comprises items hitherto in Schedule II (the quota list) which will become unrestricted. The most important items are textile fabrics, soaps, polishes, glassware, kitchen and household hollow-ware and cooking and heating equipment.

TRANSFERS TO QUOTA LIST

The third group consists of items transferred from Schedule I (the prohibited list) to Schedule II (the quota list). The principal items here are cut flowers, perfumery and toilet preparations, electric light fixtures, flashlights, electric irons and dry shaving machines, jewellery, fountain pens and pencils and electric mixers, heating pads and fans.

In Schedule III, administered by the Department of Trade and Commerce, forty-five of the current ninety-five items will be entirely removed from control. Deleted from the Schedule will be such items as certain chemicals, building stone, road paving machinery and railway equipment. Also included on this list of relaxations are fire engines, hearses and ambulances, aircraft and aircraft parts; book-keeping, calculating and invoicing machines and all office machinery parts, production parts for cooking and heating apparatus, vacuum cleaners, clothes wringers, washing machines, irons and electric shavers.

In calculating the 1951 allotment permits, covering the fifty items remaining under Schedule III, the following administrative relaxations will be adopted

1. Unexpended balances of 1950 allotments

* * * * *

DR. COLEMAN AMBASSADOR TO CUBA: The Department of External Affairs announced on September 1 that, following the elevation of the Canadian Legation at Havana and the Cuban Legation at Ottawa to the status of Embassy, Dr. E.H. Coleman, K.C., C.M.G., Canadian Minister

may be carried forward on request, when the application to the Department of Trade and Commerce is supported by a valid reason;

2. Dealer allotment permits for 1951 will be increased by twenty per cent;
3. Allotment permits for production materials and component parts for manufacturers in 1951 will be issued at the same rate as for 1950. It is anticipated that these allotments will be satisfactory to the great majority of manufacturers but the Department will consider any upward revision that manufacturers may request.

With respect to Schedule I and II Mr. Abbott said that when the changes become effective there would no longer be any complete prohibitions under Schedule I and that the scope of present quota restrictions under Schedule II would be reduced by about one-half. The principal items remaining in Schedule I will be comics and "pulp" magazines, printed or manufactured soft synthetic sheeting, pleasure boats with inboard power, ornaments, punch boards and pinball games, and coin-operated vending and amusement devices. Even these, however, will not be completely prohibited but will be importable freely from non-scheduled countries, and may also be imported from scheduled countries by those who have regular quotas under the prescribed sections of Schedule II.

THE TEXTILE SECTION

The suspension of practically all fabrics from Category 2 of Schedule II (the textile section) leaves under quota the tariff items covering wearing apparel, blankets, knit goods, hats and caps, floor covering, furs and fur garments, and a few miscellaneous items in this group.

The total base period imports of all goods now under quota in Schedule II amounts to about \$200 million. After October 1 quotas will apply to goods of which base period imports were about \$100 million in value.

Commenting on the relaxations Mr. Abbott pointed out that the Canadian gold and U.S. dollar reserves had improved steadily during the past six months, and added that if this improvement continued, and barring other unforeseen circumstances, he could look forward to further relaxations, or indeed to the complete suspension of all the remaining emergency import controls.

to Cuba, has been appointed Ambassador and will continue in charge of the Mission at Havana.

The Cuban Government has announced its intention of nominating an Ambassador to Canada in the near future.

SEEK TO LESSEN MANITOBA FLOOD HAZARD

SURVEYS PROVIDE INFORMATION: The Minister of Resources and Development, Mr. Winters, announced on September 1 that work has been actively in progress for some weeks on investigations and surveys in Manitoba designed to provide information on which to base measures for reducing the hazard of flood such as occurred last spring in the Winnipeg area. Surveys are being conducted by Resources Department officials in close co-operation with several other federal Departments as well as with the Province of Manitoba.

These investigations at the outset involve the basic topographic, hydrometric and hydrographic surveys which are a first essential in formulating any plans for remedial measures.

Overall co-ordination of the surveys rests in the hands of the Water Resources Division of the Department of Resources and Development. The Division itself, throughout the flood and since, has been engaged in the collection and analysis of data concerning the flows and water surface elevations experienced at various points on the Red River and its tributaries. The Division has also under way a hydrographic survey of the bed and banks of the Red River extending from the Agricultural College, near Winnipeg, southerly to Emerson at the international boundary.

Hydrographic surveys of the bed and banks of the navigable reach of the river from the Agricultural College through Greater Winnipeg and northerly to Lake Winnipeg are being undertaken by the Greater Winnipeg Dyking Board under the auspices of the Department of Trade and Commerce. These surveys will include sub-surface explorations in reaches of the river where controls exist such as at Lister Rapids and below Lockport.

Precise levelling and topographical surveys in the basin are being carried out by the

Surveys and Mapping Branch of the Department of Mines and Technical Surveys. Work commenced on July 24 on a line of precise levels along the west side of the Red River from Winnipeg to Emerson, and the level party expects to reach Emerson at the end of the week. Lateral lines from this base line will then be run to points east of the river to establish precise controls in that area. Topographic surveys of the area inundated in the 1950 flood were commenced in mid-August, and it is planned to have ground control work and the aerial photography necessary for the preparation of a contour map of the area completed before winter conditions set in. Further topographic surveys, if required, will be made east and north east of Greater Winnipeg in the area where floodways have been proposed.

Investigations of several storage reservoir sites on the upper waters of the Assiniboine River have already been made by the Prairie Farm Rehabilitation Administration of the Department of Agriculture, and further investigations of such possibilities are being undertaken together with surveys of a possible route to divert surplus waters of the Assiniboine River to Lake Manitoba from a point in the vicinity of Portage La Prairie. Reconnaissance surveys are also to be made by P.F.R.A. of storage possibilities in the valley of the Pembina River in Manitoba.

Mr. Winters stated that this is a problem involving a large area and a number of rivers. In order to avoid a piece-meal approach or incomplete conclusions, it is important that all engineering data be accumulated before an overall solution can be contemplated. The Minister made it clear, however, that if it was agreed that certain specific action was required as part of any over all solution, arrangements would doubtless be made to have the required work initiated at once.

* * *

MUNICIPAL FINANCES: Revenues and expenditures, tax collections and gross debenture debt of municipalities in eight Canadian provinces increased considerably in 1943 over 1947, according to the annual report on financial statistics of municipal governments by the Bureau of Statistics. Statistics for Quebec municipalities are not included in the report, as they were not available at time of publication, and Newfoundland did not enter Confederation until the following year.

General municipal revenues for the eight provinces totalled \$396,000,000 in 1948, up nearly 13 per cent from \$349,000,000 in 1947. General expenditures showed a slightly smaller increase of 11.6 per cent from \$355,000,000 to \$396,000,000, these totals being exclusive of surpluses of previous years used to reduce taxation, and deficits of previous years met

from the current year's revenue.

Taxes levied and taxes collected both increased 12.4 per cent over the previous year's totals, the levies from \$263,000,000 to \$296,000,000 and collections from \$261,000,000 to \$293,000,000. Tax collections in 1948 were 99.1 per cent of current levies. Assessment of property and business -- the basis of by far the greater part of the levies -- rose by 4.2 per cent from \$6,333,000,000 to \$6,601,000,000.

Gross debenture debt grew 10.9 per cent in 1948, from \$547,000,000 in 1947 to \$607,000,000. This rise followed an increase of \$13,000,000 or 2.4 per cent in 1947 and marks the renewal of public works construction on a large scale after the wartime lull, when little capital was borrowed and debenture debt was reduced.

LIVING COSTS RISE 1 POINT: The Bureau of Statistics cost-of-living index advanced 1.0 points to 168.5 between July 3 and August 1. The index stood at 162.8 on August 1, 1949, and at 157.5 on August 2, 1948. From August, 1939, to August, 1950, the increase in the cost-of-living index was 67.2 per cent.

Foods were again responsible for most of the July increase; the index for this series moving from 214.3 to 216.7. Prices continued upward for practically all meats, while eggs, sugar and coffee also advanced.

* * * *

JOINT WEATHER PROGRAMME: The United States Coast Guard ship and three United States Navy vessels which sailed this summer to the Canadian Arctic regions in support of the joint weather programme being carried out there by the Governments of Canada and the United States have now returned to east coast ports. It was announced in Ottawa and Washington on July 12 that the four ships (the icebreakers USS "Edisto" and USCGC "Eastwind", the cargo vessel USS "Whitley", and the USS "LST 533" which was to serve as a cargo vessel) with Canadian and United States representatives aboard, were sailing to the Arctic.

During the summer they resupplied the joint weather station at Alert, Ellesmere Island, which was established during the spring of 1950. A stock of supplies and equipment required for this station was taken in by United States Navy water transport in 1948 and by Canadian and United States Air Force transport aircraft in the spring of 1950 when the station was set up. The joint weather station at Resolute, Cornwallis Island, opened in 1947, and the station at Eureka, Ellesmere Island, established by airlift in the spring of 1947, were also resupplied.

POLAR ICE 30 FEET THICK

En route to Alert, the icebreakers proceeded through heavy polar pack ice of up to 30 feet in thickness, the heaviest encountered in five years of Arctic resupply operations. The USCGC "Eastwind" reached 82 degrees 36 minutes 45 seconds latitude, within 445 nautical miles of the North Pole, while passing the northeastern tip of Ellesmere Island. This is believed to be the northernmost point in the western hemisphere reached by any ship under its own power.

The ships en route to Resolute, the major resupply port for the task group, found Lancaster Sound completely free of ice and encountered only a few small fields of scattered ice in Barrow Strait, a favourable condition which had not been enjoyed by some of the former resupply missions. Excellent weather, except for fog, continued throughout the four days the ships were anchored off Resolute weather station, Cornwallis Island.

The USS "Edisto" carried two helicopters and the "Eastwind" one helicopter, all of which were used extensively and to great advantage

in short-range ice reconnaissance and for the transportation of Canadian Government surveyors and other field technicians to locations where astro positions, terrain elevation, geology, wildlife and other reconnaissance field studies were accomplished.

* * * *

CANADIAN SQUADRON AT LONDONDERRY: The Canadian Special Service Squadron -- the aircraft carrier Magnificent and destroyers Huron and Micmac -- arrived on September 1 at Londonderry, Northern Ireland, and were warmly welcomed by the Royal Navy and by the many friends made at Derry by Canada's wartime convoy fleet, the Royal Canadian Navy reported on September 1.

Almost immediately, the commanding officers of the three ships, Commodore K.F. Adams, Lieut.-Cdr. E.T.G. Madgwick and Lieut.-Cdr. F.C. Frewer, sat down to conferences with officers of the Joint Anti-Submarine Training School here to tidy up the final details for the heavy training programme that lies ahead.

First of all, there will be special courses at the school for officers and men of the ship. Instruction will be given in the latest anti-submarine tactics developed at the school, one of the most advanced of its kind in the world.

Then the ships will go to sea for a series of intensive exercises. Working with destroyers and frigates of the Royal Navy, the Canadian ships and aircraft will be opposed by RN submarines whose job it will be to give them as stiff a work out as possible.

Nearly 24 hours before the Magnificent and her attendant destroyers reached Londonderry, their arrival was heralded by the carrier's three squadrons of aircraft. The Sea Furies and Fireflies took off from the Magnificent's flight deck Thursday and roared shoreward, landing at the Royal Navy's base at Eglinton, near Londonderry.

* * * *

INTERNATIONAL FISHERIES MEETING: Dr. A.W.H. Needler, Director of the Atlantic Biological Station of the Fisheries Research Board of Canada at St. Andrews, N.B., will be the Canadian representative at the annual meeting, in Copenhagen, of the International Council for the Exploration of the Sea. It is to be held from October 2 to 11.

The council is the oldest international body on fisheries research in the world.

While in Europe, Dr. Needler is expected to attend a meeting of fisheries technologists in Bergen, Norway, from September 24 to 29. This meeting has been called by the Food and Agriculture Organization of the United Nations, and the fisheries experts, drawn mostly from northwest European countries, will discuss technical problems, paying particular attention to processing and utilization, the Fisheries Department Trade News reports.

JOBS FOR 10,000,000: A total of 9,635,796 jobs had been found and filled by workers recruited by the National Employment Service in the nine-year period from July 1, 1941, (when it commenced operations) to June 29, 1950, it was announced on September 1 by the Minister of Labour, Mr. Gregg.

The Minister made this announcement in commenting on the fact that 10 years ago an Act was passed by Canadian Parliament that has benefited thousands of Canadians in every walk of life. This was the Unemployment Insurance Act of 1940.

The Unemployment Insurance Act gave birth to two institutions, one a complement of the other, the necessity for one arising out of the need for the other—Unemployment Insurance and the National Employment Service.

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EXPORTS AGAIN RISE: Featured by a sharp gain in shipments to the United States, Canada's domestic exports to all countries in July rose to \$253,700,000 from \$241,300,000 in the corresponding month last year. This year's July total was five per cent above the same month last year and six per cent above the average of \$238,400,000 for the first six months of the year. During the seven months ending July the aggregate value was \$1,684,300,000 as against \$1,665,900,000 in the similar period of 1949.

Exports to the United States in July were below the all-time monthly peak reached in June, but were three-fifths higher than a year earlier, and accounted for an exceptional 66 per cent of total shipments to all countries compared with 43 per cent a year ago. The trend in exports to the United Kingdom and other Commonwealth countries continued downward, dropping in each case to half last year's July value. Exports to Latin American countries moved higher in value, but shipments to Europe were lower. There was a small rise in the value of exports to other foreign countries.

EXPORTS TO U.S.: RISE

Exports to the United States rose in the month to \$168,196,000 from \$104,391,000 a year ago, bringing the cumulative total for the first seven months of the year to \$1,073,144,000 from \$795,251,000 a year earlier.

There were sharp gains among the commodity groups of exports to the United States, all nine being higher than a year earlier. The largest increases were in wood, wood products and paper, animals and animal products, and non-ferrous metals and products. The wood and paper group advanced from \$52,002,000 to \$86,113,000, animals from \$13,677,000 to \$22,524,000, and non-ferrous metals from \$13,139,000 to \$21,490,000.

July exports to the United Kingdom were valued at \$35,169,000, down 50 per cent from \$70,555,000 in the same month last year, and in the seven-month period were down to \$271,-

086,000 from \$406,159,000. There were declines in July in seven of the nine groups. Agricultural products, largest in value, fell from \$31,364,000 to \$19,231,000, non-ferrous metals from \$14,934,000 to \$5,628,000, wood and paper from \$10,917,000 to \$3,741,000, and animals from \$7,375,000 to \$4,478,000.

Shipments to other Commonwealth countries fell in the month to \$16,300,000 from \$30,000,000 a year earlier, and in the seven-month period to \$111,000,000 from \$197,900,000. Exports to the Union of South Africa declined in July from \$9,582,000 to \$4,123,000, India from \$8,591,000 to \$2,815,000, and Australia from \$3,538,000 to \$3,002,000.

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BUSINESS

Department store sales in Canada in July -- not including Newfoundland -- totalled \$55,263,000, showing an increase of 11 per cent over last year's July figure of \$49,885,000. During the first seven months of this year, sales advanced slightly to \$432,990,000 from \$432,105,000.

The advance in commercial failures in evidence for the last four years was continued in the first half of this year. The number reported to the Bureau, under the provisions of the Bankruptcy and Winding Up Acts in the half year was 720, as compared with 500 in the first six months of 1949. The defaulted liabilities, at \$12,400,000, were up nearly 43 per cent from \$8,725,000 in the same period of 1949.

Canadian manufacturers turned out an all-time record number of household electric refrigerators in June and the first half of this year. Output of electric refrigerators rose in June to 34,707 units, more than double last year's corresponding total of 15,810. In the half year, 158,314 units were produced compared with 84,776 in the like period of 1949.

July landings in the sea fisheries of Canada -- not including Newfoundland -- amounted to 144,811,000 pounds valued at \$8,792,000 as compared with 127,423,000 pounds at \$7,156,000 in July last year, showing an increase of 13.7 per cent in quantity and an advance of 22.8 per cent in value.

Canadian wholesale prices moved upward in July for the seventh successive month to reach an all-time high record level. The July index, on the base 1926=100, stood at 166.9, up 1.9 points above the new peak established in June, and 10.3 points above July last year. Since the first of the year the index has risen from 157.1. The high point for the index before June this year was 164.3 registered in May, 1920.

ARMY WEEK, SEPTEMBER 17-24: "Army Week", designed to give Canadians a behind the scenes peek at their Army in action, will be held this year from September 17-24.

All army camps, stations and buildings -- including those in the Northwest Territories -- will be opened to the public and millions of dollars worth of equipment will be on display.

In larger communities the seven day period in which officers and men of both the Active and Reserve Forces will play host to civilians, will be highlighted by a spectacular series of displays, demonstrations and parades. All units will hold "open house" at least once during the week.

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\$850,000,000 FOR DEFENCE: The House of Commons, on September 5, commenced debate on Canada's defences and defence expenditures, based on the Defence Appropriations Act sanctioning expenditures to total ultimately over \$858,000,000 additional to funds voted at the last Session.

The various proposed appropriations were outlined in the following resolution, introduced by the Minister of Finance, Mr. Abbott:

"Resolved, that sums not exceeding \$142,200,200 be granted to His Majesty towards defraying expenses of the naval, army and air services of the Canadian forces:

"That His Majesty may also incur commitments during the fiscal year ending the 31st day of March, 1951, for expenditures on the naval, army and air services of the Canadian forces in later years in amounts not exceeding \$409,257,821 in addition to the total amount of such commitments specified in the schedule to the Appropriation Act, No. 4, 1950;

FOR DEFENCE RESEARCH

"Resolved also, that commitments not exceeding \$5,310,000 in addition to the amount of commitments specified in the schedule to the Appropriation Act, No. 4, 1950, may be incurred during the fiscal year ending the 31st day of March, 1951, for expenditure on defence research and development in later years, and also that sums not exceeding \$2,000,000 be granted out of the Consolidated Revenue Fund to His Majesty towards defraying the expenses for the land services of the Royal Canadian Mounted Police in addition to any other grant of Parliament;

"And resolved further, that sums not exceeding \$300,000,000 be granted out of the Consolidated Revenue Fund to His Majesty, in addition to any other grants of Parliament, for the production, acquisition, repair and provision of equipment, services, supplies and facilities, for the use of the defence forces of Canada and those of any party to the North Atlantic Treaty, and the construction, improvement and repair of facilities, and the

acquisition, processing, and storage of materials, supplies and equipment, required to produce and otherwise make available any such equipment, supplies, services and facilities;

"With provision also empowering the Governor in Council to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money not exceeding in the whole the sum of \$300,000,000 as may be required for the purpose of defraying the aforesaid expenses, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund."

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MR. MAYHEW TO REPRESENT CANADA: The Secretary of State for External Affairs, Mr. Pearson, announced on September 6 that Mr. R.W. Mayhew, Minister of Fisheries, will represent the Canadian Government at the meetings of the Commonwealth Consultative Committee on South and Southeast Asia, which will begin in London on September 25. Mr. Mayhew represented the Canadian Government at the previous meeting of the Committee in Sydney, Australia, last May. He was also present at the Commonwealth meeting on foreign affairs in Colombo last January.

The coming meeting in London will carry forward the discussions held in Sydney. These dealt with both the provision of technical assistance to countries of South and Southeast Asia and a review of major capital developments planned in the area.

Assisting Mr. Mayhew, as chief adviser, will be Mr. J.J. Deutsch of the Department of Finance. Mr. D.V. LePan, of the Department of External Affairs, will also act as adviser. They will be assisted, as necessary by officials from Canada House.

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AUTO SALES SOAR: July sales of new motor vehicles fell slightly below the record volume reached in June, but remained well above July last year, according to the Bureau of Statistics. Financing of sales of new and used motor vehicles continued to show marked increases.

Sales of new motor vehicles in July numbered 44,045 with a retail value of \$89,407,580, as compared with 45,814 units sold for \$93,475,586 in June, and 29,177 units at \$59,294,941 in July last year. Cumulative sales for the first seven months of this year totalled 257,951 units valued at \$518,905,045 as against 166,898 valued at \$348,284,481 in the like period of 1949.

Sales of new passenger cars in July totalled 33,137 units with a retail value of \$67,207,026, showing gains of 50.2 per cent in number and 49.6 per cent in value over the 22,057 cars sold for \$44,909,873 in the same month last year. Truck sales at 10,864 units retailed for \$21,462,008, up 53.4 per cent in number and 55.7 per cent in value.

CONFERENCE ON TARIFFS AND TRADE

Finance; Dr. A.E. Richards, Department of Agriculture; Mr. B.G. Barrow, Department of Trade and Commerce; Mr. H.V. Jarrett, Department of Trade and Commerce; Mr. J.P.C. Gauthier, Department of Trade and Commerce. Secretary: Mr. H.H. Wright, Department of External Affairs.

The Torquay Conference will include two sets of meetings under the General Agreement on Tariffs and Trade. The first will consist of a third round of multilateral tariff negotiations commencing when the Conference opens. These meetings will follow the pattern of the Geneva (1947) and Annecy (1949) tariff negotiations and are expected to continue for six months.

The second set of meetings will take place under the terms of the General Agreement on Tariffs and Trade which require contracting parties to meet from time to time to give effect to certain provisions of the Agreement which involve joint action and, generally, to facilitate the operation and to further the objectives of the Agreement. These meetings opening on November 2, will be the fifth such session of contracting parties since the negotiation of the General Agreement at Geneva in 1947.

Mr. Wilgress has been re-elected Chairman of the contracting parties; in that position he will preside over the tariff negotiations and the Fifth Session of the contracting parties.

Mr. McKinnon will be Chairman of the two Canadian negotiating teams; for this purpose he will be seconded to the Department of External Affairs. Mr. Deutsch of the Department of Finance will be in charge of the negotiations with regard to Canadian tariffs and Mr. Isbister of the Department of Trade and Commerce will be in charge of the negotiations with regard to foreign tariffs.

The following countries are expected to participate in the Torquay Conference:

Australia, Austria, Benelux, (i.e. Belgium, the Netherlands and Luxemburg, Brazil, Burma, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Finland, France, Western Germany, Greece, Guatemala, Haiti, India, Indonesia, Italy, Liberia, New Zealand, Nicaragua, Norway, Pakistan, Peru, The Philippines, Sweden, Syria-Lebanon Union, Turkey, United Kingdom, Union of South Africa, United States, and Uruguay. * * * *

APPLE CROP DOWN 16 P.C.: With the exception of apples and pears, prospects for tree-fruit and grape crops improved slightly during the past month, according to the third estimate of fruit production released by the Bureau of Statistics. The apple and pear crops are estimated to be three per cent lighter than was anticipated in July.

The apple crop, currently set at 15,209,000 bushels, will be 16 per cent below the 1949

harvest of 18,151,000 bushels, the drop in outlook being due to poorer prospects in Nova Scotia where high winds and severe scab infestation have reduced both the size and quality of the fruit. The crop in Ontario and British Columbia showed some improvement during the month while prospects in New Brunswick and Quebec remained unchanged.

The anticipated pear harvest is set at 703,000 bushels, 30 per cent lower than last year's crop of 1,000,000 bushels. Plums are also down sharply this season, the current estimate of 519,000 bushels being 37 per cent below the 1949 level of 827,000 bushels, but seven per cent higher than was expected last month. The peach crop shows a minor upward revision since July at 1,160,000 bushels; the crop, however, is still well below the 1949 harvest of 2,011,000 bushels

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MR. MCILRAITH TO LONDON CONFERENCE: The Secretary of State for External Affairs, Mr. Pearson, announced on September 7 that Mr. George J. McIlraith will represent the Canadian Government at general economic and financial discussions amongst Commonwealth countries that will take place in London during the week beginning September 18. Mr. McIlraith is Parliamentary Assistant to the Minister of Trade and Commerce.

The meetings are timed so that Commonwealth representatives, who are attending meetings in Paris of the International Monetary Fund and the International Bank for Reconstruction and Development, may proceed to London when the Paris meetings are over.

Mr. Graham F. Towers, Governor of the Bank of Canada, who is attending the Bank and Fund meetings in Paris will go on to London to attend the discussions with Mr. McIlraith. Mr. John J. Deutsch, Director of the International Economic Relations Division of the Department of Finance, and Mr. Claude Isbister, Director of the International Trade Relations Division of the Department of Trade and Commerce, will also attend as advisers.

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MR. TOWERS TO PARIS: It was announced on September 1 that Graham Towers, Governor of the Bank of Canada, would represent Canada at the annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development which began on September 6 in Paris.

Also attending the meetings will be Mr. L. Rasminsky, Canada's Director on the Boards of the Fund and the Bank, and Mr. J.F. Parkinson, Alternate Director.

Mr. Towers is Alternate Governor of both these organizations and is attending the meetings because of the necessity for the Governor, the Hon. Douglas Abbott, to remain in Ottawa for the emergency session of Parliament.

Mr. Towers expects to visit the United Kingdom following the Paris meetings.

THE WEEK IN PARLIAMENT

KOREAN SITUATION DISCUSSED: By the formation of a Special Force for the service of the United Nations in Korea or elsewhere, Canada may have begun the establishment of United Nations forces, the Secretary of State for External Affairs, Mr. Pearson, told the House of Commons on September 4, in the debate on the Address in reply to the Speech from the Throne.

The Address was adopted on September 5, after the defeat of proposed amendments by the Leader of the Progressive Conservative Party, Mr. Drew, and by the Leader of the C.C.F. Party, Mr. Coldwell. Mr. Drew's amendment would have had the House express regret "that your Excellency's advisers have failed to provide adequately for the defence of Canada and have failed to take steps to deal with inflation and the rapidly rising cost of living."

TEXT OF SUB-AMENDMENT

Mr. Coldwell's sub-amendment would have added the following words: "By the imposition of price controls and the provision of necessary subsidies; we regret further that your Excellency's advisers have failed to include in Canada's defence programme substantial economic aid for under-developed countries, for it is the opinion of this House that the spread of Communism cannot be prevented by military action alone, but only by the provision, in addition, of all possible assistance to bring about social and economic progress in such countries."

Although Opposition members criticized the Government for what was described as its "hesitation and evasion" over the sending of ground troops to Korea, the debate, which lasted five days, revealed almost complete unanimity on the two major issues discussed: the assumption by Canada of its obligations in the defence of Korea by United Nations forces against Communist aggression; and the necessity for greatly increased defence expenditures.

During the course of the debate Mr. Howard Green, Progressive Conservative, Vancouver-Quadra, urged that Canada help to bring about the creation of a Pacific Pact. In reply, the Secretary of State for External Affairs, Mr. Pearson, stated that:

"... in our view it would be unwise for this Government at this time not only to take

any leadership in regard to a Pacific Pact but to participate in present circumstances in such a pact along the line of that which has been shown to be effective in the North Atlantic region. I say that because in the first place a particular procedure in regard to one region of the world is not necessarily the best procedure in regard to another; and that the conditions which made desirable, indeed even necessary, that kind of mutual guarantee pact in the North Atlantic do not exist in the Pacific at the present time, and I am sure no Hon. Member thinks that they do exist...."

Opposition Party Leaders and the Prime Minister, Mr. St. Laurent, had spoken previously in the debate, Mr. Drew and Mr. Coldwell submitting their proposed amendment and sub-amendment at the conclusion of their respective speeches. The following is an excerpt from the address of the Prime Minister:

OPTIMISTIC PROSPECTS

"...I was comforted by the optimistic prospects held out by the Leader of the Opposition (Mr. Drew). I hope and feel as he does that we may be not far from the dawn of an era of lasting peace. I read in a recent dispatch that a diplomat of great experience had said that the prospects of a decade of peace were brighter now than they had been at any time since the outbreak of this cold war. But some other had added: 'Provided we get through the next decade of months without war.' I am inclined to think that there is a lot of truth in that reservation. The free nations of the world are now undergoing a test which may be a very vital one. And when they do, as I hope and feel confident that they will, within the next ten months - demonstrate that united action by them can be effective to put down aggression, I think that we can look forward then with the confident expectations implied in the speech of the Leader of the Opposition, to a long period of absence of war, if not full peace, because there cannot be full peace for us when we are in the throes of a nerve-racking cold war...."

The Leader of the Opposition, Mr. Drew, reiterated a request for the appointment of a Special Committee on Defence. He suggested that it should meet immediately; and that instead of this special session proroguing, it should adjourn and come back to hear a report by that Special Committee on national defence.

NEWFOUNDLAND WAGES: Average weekly salaries and wages in the major non-agricultural industries of Newfoundland in June ranged from a low of \$20.60 in the services industries to a high of \$47.91 in mining, according to first figures on employment and earnings in Newfoundland released by the Bureau of Statistics.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on August 17 totalled 89,146,000 bushels as compared with 93,521,400 a week earlier and 56,815,400 on the corresponding date last year.



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WEEK'S EVENTS IN REVIEW

NORTH ATLANTIC COUNCIL MEETING: The Department of External Affairs announced on September 13 that the Secretary of State for External Affairs, Mr. Pearson, was leaving Ottawa that afternoon to attend meetings of the North Atlantic Council which are to be held in New York on Friday and Saturday, September 15 and 16.

The Minister will be accompanied by his Special Assistant, Mr. D.V. LePan, and the following advisers:

Mr. A.D.P. Heeney, Under-Secretary of State for External Affairs;

Mr. L.D. Wilgress, Canadian High Commissioner in the United Kingdom and Canadian representative on the North Atlantic Council Deputies;

Lieut.-Gen. Charles Foulkes, Chief of the General Staff and Chairman of the Chiefs of Staff Committee;

Mr. J.J. Deutsch, Director, International Economic Relations Division, Department of Finance;

Mr. J. George, Defence Liaison Division, Department of External Affairs.

IN PARLIAMENT: When Parliament adjourns upon completion of the current business of the Special Session, it will stand adjourned until February 14, 1951, the Prime Minister, Mr. St. Laurent, announced in a notice of motion on September 12. It could be recalled, in an emergency, before that date.

Progressive Conservative and C.C.F. Party motions of no-confidence, submitted in the Budget Debate, were defeated by 152 to 56 and 147 to 52 respectively on September 12; and the House went into Committee of Ways and Means on Budget resolutions.

The Progressive Conservative amendment would have had the House express regret "that especially at this time, when the people of Canada are suffering from the heavy burden of soaring prices for the necessities of life and are facing extraordinary expenditures for national defence, the Government has failed to take effective steps to curtail non-essential expenditures and improve the general efficiency of Government."

The C.C.F. sub-amendment would have added: "We regret further that the Government has failed to protect the people of this country from profiteering by the imposition of an excess profits tax."

Toward the close of the Budget Debate, Mr. J.G. Diefenbaker, (Progressive Conservative,

BATTLE OF BRITAIN SUNDAY: Battle of Britain Sunday, in honour of the famous "few" fighter pilots who saved Britain in the dark days of 1940, will be observed on September 17, this year, the Minister of National Defence, Mr. Claxton, announced on September 6.

As the tenth anniversary of the culmination of the historic battle, the day will be marked by church parades and special services at RCAF units across Canada. Members of the RCAF Auxiliary and air cadets will join with the regular air force for the services.

In Ottawa the guest speakers will be the two senior chaplains of the United States Air Force, Maj. Gen. Charles I. Carpenter, Chief of Air Force Chaplains, USAF, and Brig. Gen. Augustus F. Gearhard, deputy chief of Air Force Chaplains, USAF.

September 15 is generally accepted as the end of the critical period in the Battle of Britain, as on this date enemy losses in attacks on London rose to a peak, forcing a change in tactics by the Germans. From the second week in July, 1940, until the end of October, the Luftwaffe attempted to gain air supremacy over the British Isles.

First seeking to crush RAF fighter defences by heavy attacks on airfields, aircraft factories, harbours, shipping and radio-location factories, Goering's airmen then turned to London. Swarms of bombers and fighters smashed at the British capital in an attempt to bring the people to their knees. But the tireless efforts of the small band of RAF pilots in their Spitfires and Hurricanes dealt such stunning losses to the German attackers that Hitler was forced to ease his daylight aerial offence. Although night bombing continued, the Battle of Britain was won and the immediate threat of invasion removed.

The Battle of Britain marked the RCAF's baptism under fire as in August, 1940, a squadron of the RCAF for the first time took to the skies against the enemy, won its first victories and suffered its first casualties. Forty-seven Canadian officers and men--three of them with the RCAF and the others serving in the RAF--gave their lives in the Battle of Britain.

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FARM PRICES HIGHER: Canadian farm prices of agricultural products rose to near-peak levels in July, according to index numbers compiled by the Bureau of Statistics. The index for July, on the base 1935-39=100, stood at 262.0 as compared with 258.0 for June, 253.0 for July last year, and the all-time high figure of 263.8 for August, 1948.

The increase in the July index over June is attributable to rising prices for livestock, potatoes, poultry and eggs. Compared with a year ago, higher prices for livestock and potatoes have more than offset declines in the prices received from the sale of grains, dairy products, poultry and eggs.

DR. CUNEO-HARRISON AMBASSADOR OF PERU: Dr. Luis Cuneo-Harrison on September 11 presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Peru to Canada. Mr. A.D.P. Heeneey, Under-Secretary of State for External Affairs, was present at the ceremony. Mr. Howard Measures, Chief of Protocol, presented Dr. Cuneo-Harrison to His Excellency the Governor General. Mr. Cesar A. de la Fuente, Counsellor of Embassy, Commander Juan Castro-Hart, Naval Attaché, and Dr. José Alvarado-Sanchez, Third Secretary of Embassy, accompanied the Peruvian Ambassador.

Dr. Cuneo-Harrison has had a distinguished career in the diplomatic service of his country. Born at Tacna, Peru, he graduated in the Faculty of Political and Economic Sciences with a doctor's degree. During his early years in the diplomatic service he held a series of appointments with the Protocol and Ceremonial Division of the Peruvian Foreign Office and was appointed Head of that Division in 1932. Dr. Cuneo-Harrison was subsequently Minister of Panama, Minister to Cuba, General Inspector of Diplomatic Missions abroad and Ambassador to the Dominican Republic. He returned to Lima as Head of the Co-ordination Office of the Peruvian Ministry of Foreign Affairs in 1948. Dr. Cuneo-Harrison now succeeds Don Manuel Cacho-Sousa, former Ambassador to Canada, who returned to Peru last February.

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TO EXPAND UPLANDS AIRPORT: Plans for the development of Uplands Airport were announced on September 11 by the Minister of National Defence, Mr. Claxton.

The position of Ottawa as national capital demands runways and facilities adequate to take every type of aircraft. Defence needs of the Ottawa area also require that R.C.A.F. facilities at Rockcliffe be supplemented by an additional airport in the Ottawa area.

Uplands Airport is therefore to be expanded to take care of increased transport demands and enable aircraft of the largest types to land, at the same time as providing a base for R.C.A.F. operations.

These will include the establishment of a fighter station and various research and other installations.

The whole plan has been worked out between the Department of Transport and R.C.A.F. so as to provide for a combined use of a large airport to provide every kind of facilities.

There will be an increase in research and development activities in connection with the R.C.A.F. at Ottawa and the National Research Council.

To protect future possible developments, a considerable area is being expropriated but it is not expected that the present owners will be disturbed in their occupation for some time to come.

DIRECTOR OF IMMIGRATION BRANCH: C. E. S. Smith, of Ottawa, has been appointed Director of the Immigration Branch, Department of Citizenship and Immigration, it was announced on September 11, by the Minister of Citizenship and Immigration, Mr. Harris:

Mr. Smith has had twenty-five years' experience in the Immigration Service. He has been Acting Director of Immigration since February of this year following the appointment of the former Director, A.L. Jolliffe, as Special Adviser on Immigration to the Deputy Minister.

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SECURITIES TRANSACTIONS: Sales and purchases of outstanding securities between Canada and other countries in June amounted to \$65,800,000, showing an increase of \$15,800,000 over the preceding month, but a decline of \$13,400,000 from the June, 1949 total. Transactions in the first six months of this year aggregated \$288,800,000 as against \$236,000,000 in the like period of 1949.

Sales to all countries in June totalled \$34,400,000 as compared with \$25,900,000 in May, and \$36,700,000 a year ago, while purchases in the month amounted to \$31,400,000 as against \$24,100,000 in May, and \$42,500,000 a year earlier. In the half year, sales aggregated \$149,000,000 as against \$117,100,000 last year, and purchases totalled \$139,800,000 compared with \$118,900,000.

Sales to the United States in June were valued at \$33,500,000 as against \$24,600,000 in May and \$36,200,000 in June last year, and the purchases totalled \$27,100,000 compared with \$21,100,000 in May, and \$41,400,000 last year. In the six-month period, sales to the United States aggregated \$142,100,000 compared with \$113,200,000, and purchases totalled \$122,200,000 compared with \$114,700,000.

June sales to the United Kingdom stood at \$200,000 against \$400,000 in May and \$300,000 last year, and the purchases totalled \$3,900,000 against \$2,400,000 in May, and \$700,000 in June last year. In the six months, sales to the United Kingdom were \$2,400,000 compared with \$1,300,000, and purchases totalled \$15,100,000 against \$2,100,000.

* * * *

LIVING COSTS CONTINUE RISE: Composite city cost-of-living indexes for eight centres continued upward during July. Higher food prices were again mainly responsible, notably meats, eggs, sugar and coffee. Among other groups higher telephone rates for Ontario and Quebec were reflected in advances for the homefurnishings and services index for Toronto and Montreal. Fuel and light moved up in Toronto also, due to increases in coke. Clothing prices were higher in Halifax, Saint John, Toronto and Edmonton, while other groups were generally unchanged.

Composite city index increases between July 3 and August 1 were as follows: Edmonton, 1.6 to 165.0; Winnipeg, 1.2 to 163.1; Saint John, 0.9 to 164.9; Saskatoon, 0.8 to 167.2; Montreal, 0.7 to 172.3; Vancouver, 0.6 to 169.6; Halifax, 0.4 to 158.9; and Toronto, 0.2 to 164.4. In the same interval the all-Canada index rose 1.0 to 167.2.

* * * *

EMPLOYMENT, WAGES HIGHER: Employment in the principal non-agricultural industries at the first of July showed a considerable seasonal increase, the general trend being favourable in all provinces and in most manufacturing and non-manufacturing divisions. On the whole, the expansion was about equal in extent to the average for July since 1920 although it was greater than in earlier years since 1942.

Based on returns received by the Bureau from over 21,000 leading establishments, the index number of employment reached a new peak for July 1 at 201.9 as compared with 196.4 a month earlier and 199.5 at July 1, 1949. The increase over June of 2.8 per cent in industrial employment was accompanied by a rise of 4.1 per cent to an all-time peak in weekly payrolls, exceeding the July 1, 1949 figure by 6.5 per cent.

* * * *

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on August 24 totalled 87,556,400 bushels as compared with 89,146,000 a week earlier and 70,667,400 on the corresponding date last year. Deliveries of wheat from farms in the Prairie Provinces during the week amounted to 884,600 bushels, sharply below last year's corresponding total of 19,757,200 bushels. Cumulative total for the first 24 days of the new crop year aggregated 2,015,300 bushels as against 31,675,400 in the similar period of the preceding crop year.

Overseas export clearances of wheat during the week ending August 24 amounted to 1,183,000 bushels compared with 4,019,800 in the corresponding week last year, bringing the cumulative total for the crop year to date to 8,793,200 bushels against 13,710,000 in the similar period of 1949.

* * * *

COARSE GRAINS OUTLOOK: Canadian supplies of coarse grains in the current crop year will be well above last year's levels, but another light fodder crop is in sight for most of the country, states the Bureau of Statistics in its quarterly coarse grains review.

The first estimate of production released by the Bureau on August 15 placed the probable outturn of oats at 433,000,000 bushels, 115,000,000 bushels greater than in 1949, and the new barley crop was forecast at 184,000,000 bushels, up 64,000,000 from last year. Rye

advanced from 10,011,000 bushels to 15,367,000, and flaxseed from 2,284,000 bushels to 5,165,000.

Widespread frosts have occurred in western Canada subsequent to August 15 with both yields and quality of grain crops adversely affected. The extent of the damage cannot be fully determined until harvest is completed, but it is known to be considerable.

* * * *

WORK-WEEK ANALYSIS: One-quarter of all plant workers in the manufacturing industries of Canada were on a 40-hour week, according to the last annual survey conducted by the Economics and Research Branch of the Department of Labour in October 1949. This survey, which covered 6,400 establishments employing over 720,000 workers in all provinces except Newfoundland, reveals an increase of over 20 per cent in the proportion of workers on a 40-hour normal work week in 1949 as compared with 1948. The normal work week is the usual number of hours worked by most of the employees in an establishment, exclusive of any overtime or short time. The plant workers include all the employees of a manufacturing establishment except the office staff.

In addition to the 25 per cent of the plant employees working 40 hours a week, some 17 per cent of all employees in Canadian manufacturing were working 44 hours a week, 21 per cent were working 45 hours a week and another 20 per cent were working 48 hours a week. There were only seven per cent of the plant employees working more than 48 hours a week.

REGIONAL VARIATIONS

The normal weekly hours of work differed substantially within each region and industry as well as between them. Some indication of the difference in the distribution of hours in the five regions of Canada may be obtained by comparing the proportion of workers in each region working 44 hours a week or less. Forty-eight per cent of the workers in the Maritime Provinces, 28 per cent in Quebec, 51 per cent in Ontario, 71 per cent in the Prairie Provinces and 96 per cent of the workers in British Columbia were on a normal work week of 44 hours or less.

In the Durable Goods Division of the Manufacturing Industries, 27 per cent of the workers were on a 40-hour week, 18 per cent were on a 44-hour week, 22 per cent were on a 45-hour week and 13 per cent were on a 48-hour week. This compares with 22 per cent, 16 per cent, 19 per cent, and 26 per cent respectively for workers in the Non-Durable Goods Division.

The five-day week was reported by 55 per cent of the establishments employing 61 per cent of the plant workers in the manufacturing industries. This represents an increase of ten per cent in the proportion of workers on a five-day week in 1949 as compared with the year previous.

The largest proportion of workers on the five-day week was reported in Ontario, where 72 per cent of the plant employees were on this basis. Sixty-six per cent of the workers in British Columbia, 53 per cent in Quebec, 43 per cent in the Prairie Provinces and nine per cent in the Maritime Provinces were reported on a five-day week.

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NATIONAL NOTES

The 480,000-member Trades and Labour Congress of Canada barred 20 suspected Communists from its annual convention which opened in Montreal on September 11. The Convention pledged full support to the UN in Korea.

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Gen. H.D.G. Crerar, Commander of the Canadian Army in the Second World War, addressed the opening session of the Canadian Legion's five-day convention at Winnipeg on September 10. The convention later called for immediate conscription of manpower for armed forces service.

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Rt. Hon. Vincent Massey was elected President of the Association of Canadian Clubs which met at Calgary, Alberta.

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Senator Henry Alfred Mullins, 89, Progressive Conservative, Marquette, Man., has resigned his seat in the Senate for reasons of health and advancing age.

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The revenues of the Province of Alberta during the first three months of the fiscal year, which ended on June 30 last, have set an all-time record, amounting to \$38,221,000. Total expenditures, including those made on public works of a permanent nature, came to \$24,065,000, leaving an overall cash surplus of \$14,156,000. The total revenue from oil, including sales of leases, royalties on production and rentals, amounted to approximately \$18,000,000. This figure compares with some \$6,000,000 from the same source during the corresponding three-month period last year.

* * * *

DELEGATION TO UN ASSEMBLY: The Secretary of State for External Affairs, Mr. Pearson, announced on September 12 the appointment of two additional Parliamentary Advisers to serve on the Canadian Delegation to the General Assembly of the United Nations. They will be Mr. John Decore, Liberal M.P. for Vegreville, Alberta, and Mr. Gordon F. Higgins, Progressive Conservative M.P. for St. John's East, Newfoundland.

MR. GREGG ADDRESSES LABOUR CONGRESS: The following is an extract from the address of the Minister of Labour, Mr. Gregg, before the 65th Convention of the Trades and Labour Congress of Canada, in Montreal, on September 11:

"...No need to tell you that the issues of peace and war are in delicate balance. Communism means to get the fruits of conquest without a world war, if possible. But men who do not know how to live in peace with their neighbours, or live and let live, are apt to miscalculate.

"We would be recreant to our trust and our own safety if we did not honour our pledges in defence plans to preserve the boundaries of the remaining free world.

"We have explored all other paths to peace. There is a world court of peace at Lake Success which communist dictators have deliberately tried to turn into a distracting brawl, bullying such support as they can muster.

"And so reluctantly we come to realize that the easy days are gone, and that ahead lies a programme of converting a part of our industrial output into preparedness for our own safety and that of others..."

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SPECIAL FORCE ENLISTMENTS 8,691: Almost 2,500 volunteers were taken on strength of the regular Navy, Army and Air Force from July 20 to September 2 inclusive, it was announced on September 7 by the Minister of National Defence, Mr. Claxton. A recruiting campaign for all three services was launched July 20.

Hundreds of others have been found suitable and are "in process" of joining the regular forces. The enlistments are in addition to the 8,691 men signed up for the Canadian Army Special Force up to 5.00 p.m. on September 6.

During the July 20 - September 2 period, 425 men were attested by the Navy, 1,475 by the Army and 560 by the Air Force. Of the RCAF total, 251 were air crew and 309 ground crew.

Regular force enlistments for the last week period were 468 compared with 577, 460 and 438 respectively in the preceding week.

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CANADA'S RAILWAYS: "Canada has more railway mileage per capita than any other nation, and makes more use of railways, per capita, than any other country. We operate over 40,000 miles of main track, and I need not tell you how complete the coverage of the ten provinces is. The use of the railways has risen steadily through each decade, from 1,200 ton miles per capita in 1900 to 4,600 today. We still have plenty of work for our railways to do, and it would be a poor Canadian who would look forward to a drying up of our resources and a drastic diminishment of our industrial production, instead of to a continued expansion." - From an address by the Minister of Transport, Mr. Chevrier, before the Montreal Rotary Club, on September 12.

MR. MARTIN'S LONDON, ONT. SPEECH: The following is an excerpt from the address of the Minister of National Health and Welfare, Mr. Martin, to the Opening Day Luncheon of the 75th Western Fair at London, Ontario:

"In the League of Nations and, more recently, in the United Nations, Canada has been a willing partner. In the past five years we have made many efforts to support the cause of collective action to ensure the peace. If quick and effective collective action has not been possible in Korea, it is not our fault. If no United Nations military force was in being to restrain the aggressor in Korea it is simply because the establishment of such a force had been effectively prevented by the same nation that today alone has the power to recall the North Korean troops and to stop the slaughter in this distant land.

"When this recent aggression started and the United Nations called on its member states to come to the aid of the South Koreans who were defending their homeland and their freedom against the aggressor, Canada was quick to act. In the air, our transports are now carrying supplies. On the sea, our destroyers are valiantly carrying out the tasks assigned to them. On land, a splendid group of men is now busy training in Canada for action in Korea or wherever their service will best further the cause of Canada and the United Nations..."

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COMMEMORATE ST. ROCH VOYAGE: The epic voyage of the R.C.M.P. auxiliary schooner St. Roch, first vessel in history to cross from the Pacific to the Atlantic Ocean by the Northwest Passage, is to be commemorated on September 16 at Regina, Saskatchewan. The crossing, unique in the annals of Arctic exploration, was made in the regular course of duty. The St. Roch has since circumnavigated the whole of the North American continent and has also completed the westward crossing of the Northwest Passage.

On the recommendation of the Historic Sites and Monuments Board of Canada, the federal Department of Resources and Development has erected a cut stone monument bearing a bronze tablet on the grounds of the Royal Canadian Mounted Police Training Centre at Regina to commemorate this historic achievement. The Honourable John M. Uhrich, M.D., Lieutenant Governor of Saskatchewan, will unveil the monument and deliver the principal address. The Department of Resources and Development will be represented by Mr. Z.M. Hamilton, Secretary of the Saskatchewan Historical Society, who will also represent the Historic Sites and Monuments Board of Canada at the ceremony.

It is expected that Inspector Henry A. Larsen, who commanded the St. Roch on this voyage, and Corporal P.G. Hunt, a member of the crew, will represent the Royal Canadian Mounted Police.

IN PARLIAMENT

CONTROLS BILLS PASSED: Two Bills to give the Government power to impose controls on certain materials and services and instalment selling were debated and approved by the House of Commons early this week.

The Minister of Trade and Commerce, Mr. Howe, explained in respect of the first measure that the power to impose controls would apply only on articles the prices of which were increased as a result of heavy defence purchasing.

He explained:

"It will not be difficult to determine whether defence purchases of any particular article have the effect of increasing the price of the article, and if that is the effect, the purpose of the present legislation is to give the Government authority to freeze the price and thus prevent public exploitation arising out of government defence purchases."

The second measure seeks to regulate instalment selling, charge accounts and the repayment of loans which are made to finance the purchase of consumer goods.

ON WAR FOOTING: Canada's armed forces have been placed on a war footing and its Korean commitment increased to permit the sending of a total of 15,000 men to aid in restoring peace in Korea. The announcement was made in the House of Commons on September 9 by the Minister of National Defence, Mr. Claxton, as follows:

"Mr. Speaker, by virtue of section 32 of the National Defence Act, as amended by the Bill enacted today, an Order in Council was passed this afternoon which hon. members would wish to have placed before them at the earliest possible moment. It is P.C. 4365 dated September 9, 1950, and it reads:

"In order that officers and men of the Canadian forces, not exceeding 15,000 in number at any one time, may most effectively participate in action undertaken by the United Nations to restore peace in the Republic of Korea, the components of the Royal Canadian Navy, Canadian Army and Royal Canadian Air Force that are referred to in the National Defence Act as the regular forces are hereby placed on active service."

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AUTO SHIPMENTS REMAIN HIGH: Factory shipments of Canadian-made motor vehicles were maintained at a high level in July, amounting to 40,131 units as compared with 41,383 units in June -- the monthly peak for recent years -- and 25,383 in the corresponding month last year. This raised the cumulative total for the first seven months of the year to 231,896 units from 165,498 in the similar period of 1949.

Shipments of vehicles imported from the United States totalled 1,475 units in July, and in the seven months amounted to 11,825

units. Sales of British-made vehicles in the month numbered 6,882 units, and in the seven-month period aggregated 43,267.

Passenger cars continued to account for a large part of the gain in the shipments of Canadian-made vehicles. The month's total rose to 28,720 units from 17,324, and in the seven-month period advanced to 167,284 units from 104,794.

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FIFTH SERIES, SAVINGS BONDS: The Minister of Finance, Mr. Abbott, announced on September 13 that the Fifth Series of Canada Savings Bonds will be placed on sale on Monday, October 16.

The new bonds will be dated November 1, 1950 and will bear interest at 2 $\frac{3}{4}$ % a year for ten years. Every bond will be registered in the owner's name, thus affording protection against loss or destruction. They may be redeemed at any time at any bank in Canada for full face value plus interest.

No more than \$1,000 of Fifth Series Canada Savings Bonds may be registered in any one name. Bonds may be bought in the name of each member of a family, whether adult or child, up to this limit. They will come in denominations of \$50, \$100, \$500 and \$1,000.

Arrangements for the sale of the Fifth Series are being made by the Bank of Canada. Regional Directors for the sales under the Payroll Savings Plan have already been named, and they are currently at work organizing to give assistance to establishments in the Maritimes, Quebec, Ontario, the Prairie Provinces and British Columbia. It is expected that in all some 12,000 business and industrial establishments will enable their employees to purchase the bonds on the Payroll Savings Plan. Purchases under this plan in the Fourth Series showed a 19% increase over the previous offering.

Investment firms, chartered banks and other savings institutions comprise the facilities for sales to the general public and are now making arrangements to ensure prompt and efficient service.

In making this announcement, Mr. Abbott said that the Government's decision to make a Fifth Series available was based on the results of the previous offering. Sales of the Fourth Series amounted to \$318,263,050 he said, and afforded the best possible proof of continuing public demand for Canada Savings Bonds.

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1950 CANADA YEAR BOOK: The 1950 edition of the Canada Year Book is now available. This volume is the official statistical annual of the country and contains data on the physiography, demography, health, welfare, education, labour, national income, resources, production, trade, transportation, communications, finance -- in fact, on every important subject that has a bearing on the national economy.

The current edition, which extends to 1,300 pages, has been thoroughly revised, and includes in its 32 chapters the latest material at press time. In addition to the regular chapter material there are several special articles dealing with the influence of the R.C.M.P. in the building of Canada, the iron-ore resources of the Quebec-Labrador region, titanium in Quebec, and the Royal Commission on Prices. Upwards of nine maps and 45 diagrams have been inserted.

Statistical data for the new Province of Newfoundland are included in the chapter material wherever possible. However, these are based mainly on the Newfoundland Census of 1945. Since they are not on a basis comparable with those for the rest of Canada, they are introduced as special sections of the appropriate chapters.

INDUSTRY

Canadian output of crude petroleum and natural gasoline reached a peak total of 12,498,255 barrels in the first half of this year, showing an increase of 27 per cent over the previous record of 9,812,595 barrels established in the similar period of 1949. The June output was 2,181,342 barrels as against 1,957,195 in May, and 1,701,539 in the corresponding month last year. Alberta's output in the half year totalled 11,782,870 barrels as compared with 9,169,980 in the similar period of 1949.

Production of refined petroleum products was 18 per cent higher in April and the first four months of this year than in the corresponding periods of 1949. The month's output amounted to 6,937,027 barrels as compared with 5,867,875 in April last year, bringing the cumulative total for the four months ending April to 27,951,911 barrels as against 23,714,835 in the similar period of 1949.

Production of sawn lumber in British Columbia was higher in June and the first six months of this year than in the corresponding periods of 1949, while output of lumber east of the Rockies was lower in both periods. Production in British Columbia amounted to 312,514 M feet as compared with 275,901 M in June last year, bringing the cumulative total for the half year to 1,449,432 M feet as against 1,349,238 M in the similar period of 1949.

Revenue freight carried by Canadian railways during May totalled 12,612,721 tons, showing a gain of 714,178 tons or six per cent over last year's May tonnage of 11,898,543 tons. Cumulative figures for the first five months of

this year show 54,690,807 tons of freight carried by Canadian lines, some 2,800,000 under the volume transported in the similar period of 1949.

The factory value of products manufactured by the cotton textile industries of Canada in 1948 was \$240,218,000, showing an increase of 26 per cent over the preceding year's total of \$191,282,000, the Bureau of Statistics has announced.

Carloadings on Canadian railways in the pre-strike week ended August 19 climbed to a record total of 84,026 cars, some 4,855 cars or 6.1 per cent above the 79,171 cars loaded in the same week last year and 3,776 cars over the previous peak for the period reached in 1948.

Creamery butter production in August amounted to 33,832,000 pounds as compared with 34,734,000 in the corresponding month last year, bringing the cumulative total for the first eight months of this year to 189,190,000 pounds as against 195,745,000. The decrease in both periods was three per cent.

Margarine production in August amounted to 6,710,000 pounds, up from the July total of 5,392,000 pounds, but down from the August, 1949 output of 7,287,000 pounds. Cumulative production for the first eight months of this year amounted to 61,639,000 pounds as against 46,043,000 a year ago.

Production of process cheese in August amounted to 3,230,000 pounds, an increase of 58 per cent over the revised July output of 2,041,000 pounds.

Department store sales in August advanced five per cent over the corresponding month last year, according to preliminary figures.

WHEAT STOCKS: Deliveries of wheat from farms in the Prairie Provinces during the week ending August 31 were sharply lower than in the corresponding week last year, while overseas export clearances were moderately below last year's volume. Visible supplies on August 31 were also down slightly.

Deliveries during the week ending August 31 amounted to 3,005,682 bushels as compared with 20,664,400 a year earlier, and the export clearances totalled 2,923,109 bushels as against 3,110,077. Stocks in store or in transit in North America on August 31 totalled 86,084,483 compared with 86,418,228 bushels.

(Continued from p. 1)

IN PARLIAMENT

Lake Centre, Saskatchewan) asked for a statement as to what the attitude of Canada's representatives was to be at the meeting of the Foreign Ministers of the Atlantic Pact countries, and other meetings, with respect to sending Canadian forces to Europe. Mr. Diefenbaker said that the Rt. Hon. Winston Churchill had suggested the need for two or three divisions from Canada, among others, for Europe.

Mr. Diefenbaker said in part:

"The Secretary of State for External Affairs (Mr. Pearson) will be attending these meetings. Surely we have a right to expect some indication as to what Canada's stand will be. When I say that, I do not mean to imply that any other nations will dictate to us; I mean that Parliament has a right to expect that the attitude to be taken by Canada's representatives be known."

The Prime Minister replied, in part, as follows:

"It should not be forgotten that at the present time Mr. Churchill occupies in the House of Commons at Westminster the same position that is occupied in this House by the hon. member for Carleton (Mr. Drew). He is the leader in that House of His Majesty's Loyal Opposition, responsible to the electors of the United Kingdom. In this country it may be surprising to some, but I am sure not to very many, that decisions about the formation and use of Canadian armed forces are to continue to be made by the Government of Canada, and by the House of Commons responsible to the electors of Canada.

"The hon. member wishes to have some further information. I will say to him at once that the Government of Canada at this time is not considering the raising of Canadian forces to dispatch to Europe as a deterrent to aggression in Europe, and has not before it any such suggestion from any of the Governments of the North Atlantic Treaty nations. Some three weeks ago it had some suggestions from the Council of Deputies of the Permanent Members of the North Atlantic Treaty nations as to the provision of arms and equipment for increasing the deterring forces in Europe with respect to any possible aggression against them there. Those suggestions were considered. The decision of the Government in respect thereof was brought to Parliament, and Parliament has appropriated \$300 million as an answer to that suggestion.

"It should be realized that the planning under the North Atlantic Treaty is being done by the Governments of the North Atlantic Treaty nations, and not by the opposition parties in those respective nations. Personally I do not expect that those Governments will suggest that the armed effort of a nation of some fourteen million people for the purpose of deterring aggression in Europe should be twenty or thirty per cent of the armed effort of a nation of 140 million people. Nor do I feel

they are apt to suggest that the best value to be obtained from Canada's contribution would be by sending men to Europe, and housing, clothing, feeding and providing for them there, rather than by using those men here to help in our production of arms and equipment for men available in Europe, whose need of arms and equipment is greater than the European countries themselves can meet...."

Obviously, the Prime Minister said, the Secretary of State for External Affairs was not going to the North Atlantic Council with a closed mind. The Government was ready to give the most careful and deliberate consideration to everything which might be proposed or recommended.

"But," he proceeded, "our present view is the view that was expressed when the recent defence appropriation was before the House, that is to say, that the most effective immediate contribution Canada can make to the joint strength in Europe of the North Atlantic Nations is the provision of arms and equipment which will enable the young men of the nations of Western Europe to have effective means of providing security for their own homelands, and of building up their combined strength as a deterrent to aggression from any quarter...."

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THE DEATH OF FIELD MARSHAL SMUTS: The following are the partial texts of statements issued by the Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, Mr. Pearson, on the death of Field Marshal, the Rt. Hon. Jan Christiaan Smuts:

Mr. St. Laurent: "It was with profound regret that I learned of the death of Field Marshal the Rt. Hon. Jan Christiaan Smuts. His loss will be deeply felt, not only in his own country, but throughout the whole of the Commonwealth and, indeed, in every part of the world. Jan Christiaan Smuts had adopted the world as his nation. Successively, he had applied his talent, his energy and his vision to such projects as the Union of South Africa, the alliance which was the League of Nations, the association of the Commonwealth of Nations, and the community which is the United Nations. World unity was the leitmotiv of Field Marshal Smuts' long and fruitful career. The world has indeed lost one of its faithful servants...."

Mr. Pearson: "For half a century the name of Field Marshal Jan Christiaan Smuts has signified to people all over the world two great principles in human affairs - political reconciliation and democratic constitutional progress. In South Africa, the leadership which he gave to the process by which elements in the community of English and Dutch origins were drawn together for their common welfare has won universal respect and admiration. Beyond the borders of his own country, he won equal respect, for himself and for his fellow countrymen, by the part which he played in world affairs...."



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WEEK'S EVENTS IN REVIEW

CANADA AT THE UN: Canada's proposal to set up a seven-nation committee to study the question of Chinese representation was adopted at the opening sitting of the Fifth Session of the United Nations General Assembly on September 19. The resolution, introduced by the Canadian Secretary of State for External Affairs, Mr. Pearson, was approved 42 to 9, with six abstentions.

The General Assembly opened its Fifth Regular Session on September 19 at Flushing Meadow, and elected Nasrollah Entezam (Iran) as President of the Session. Ambassador Entezam received 32 votes, and Sir Mohammed Zafrullah Khan (Pakistan), 22, according to the UN Press report.

Most of the meeting was taken up with a discussion of the question of Chinese representation in the Assembly, and the Assembly finally adopted a Canadian proposal for a Special Committee to consider the matter, the report continued.

The Session was opened by General Carlos P. Romulo (Philippines) who presided over the Fourth Session of the Assembly. After his opening remarks, the Assembly stood for a minute of silence, dedicated to prayer or meditation, and then Sir Benegal Narsing Rau (India) took the floor to introduce a draft resolution under which the Assembly would recognize that the Central People's Government of the People's Republic of China was "the only such Government functioning in the Republic of China as now constituted" and would decide that that Government should be "entitled

to represent the Republic of China in the General Assembly."

Andrei Y. Vyshinsky (USSR) presented two proposals. The first of these asked the Assembly to state that the representatives of "the Kuomintang group" could not take part in the work of the General Assembly because they did not represent China. The second asked the Assembly to invite the representatives of the Chinese People's Republic to take part in the work of the Assembly.

Lester B. Pearson (Canada) introduced the Canadian proposal, which with an Australian amendment, accepted by Canada, asked the Assembly to establish a Special Committee of seven members "nominated by the President and confirmed by the Assembly" to consider the question of Chinese representation and to report back to the Assembly, with recommendations, after the Assembly has considered item 62 of its provisional agenda.

This item was submitted by Cuba and entitled "recognition by the United Nations of the representation of a Member State."

Faris El-Khoury Bey (Syria) asked for postponement of the vote until, at least, tomorrow. The Assembly decided against this by a vote of 21 to 16, with 13 abstentions.

The Indian proposal was voted by roll call, and rejected. The vote was 16 in favour, 33 against and 10 abstentions.

The Canadian proposal, as amended by Australia, was then adopted, in a vote by show of hands, 42 in favour to 9 against, with 6 abstentions. Two earlier votes resulted as

PRAIRIE GAS RESERVES ESTIMATE: Canada's proven and probable reserves of natural gas in the Prairie Provinces have increased 2.1 trillion cubic feet in a year and a half mainly as a result of oil drilling operations in Alberta. Reserves at June 30, 1950, are estimated at 7,000 billion cubic feet in place at atmospheric pressure and temperature or 6,400 billion cubic feet at 100 pounds abandonment pressure.

The increase in proven, probable and potential reserves in the Prairie Provinces despite the lack of active exploration for natural gas and the possibility of the discovery of further supplies with the development of "proven" and "probable" reserves are disclosed in a report on a recent survey of the situation conducted by the Department of Mines and Technical Surveys. The report entitled "Natural Gas Reserves of the Prairie Provinces" and prepared by two departmental officials, Dr. G.S. Hume, Director General of Scientific Services, and A. Ignatieff of the Mines Branch, outlines the developments in natural gas since the Department's previous survey in November, 1948. Reserves at that time were estimated at 4.3 trillion cubic feet.

CAPPED AND ABANDONED

While noting the 50 per cent increase in reserves, the report stresses the difficulties encountered in making an appraisal of gas resources when little or no active exploration for gas has been undertaken. Discoveries have either been capped or abandoned due to a lack of market outlets and possible extensions of the various fields, therefore, remain unknown.

According to the report very favourable geological conditions for the occurrence of oil and gas exist within a sedimentary area consisting of 245,000 square miles in Alberta, 55,000 square miles in the contiguous area of British Columbia and, to a lesser extent, in an area of 185,000 square miles in Saskatchewan and Manitoba.

While few oil wells have been drilled in Alberta without getting some gas shows, the fields in and immediately east of the Foothills such as Turner Valley, Pincher Creek and Jumpingpound, are listed as offering "the greatest prospects for large gas fields". The large gas reserves in the Leduc oilfields have been appraised on the basis of the present extent and estimated oil recovery of the field. The report also includes an estimate of the gas from the Redwater and Golden Spike fields, although the gas-oil ratios of the solution gas are too low to provide excess gas for commercial use.

On the basis of experience and favourable geological conditions the belief is expressed that "if large markets and a reasonably attractive price warranted a vigorous search for gas further large quantities would be found and in amount far exceeding those now proven and probable".

FISHERIES RESEARCH: The Fisheries Research Board of Canada operates seven stations located along the Atlantic and Pacific coasts and inland. Every year the officers of the Board visit the stations to obtain a first-hand account of the work in progress and to discuss administrative and other matters associated with the investigations being currently undertaken.

This year the Board's tour of the East Coast stations, which took place in the latter part of August, included for the first time an official visit to Newfoundland. Since that Island became Canada's 10th Province, one of the more important administrative undertakings has been the co-ordination of the Newfoundland Fisheries Station with the general operation of the Board. This has been achieved by continuing the local laboratory as the Newfoundland Biological Station. The station is concentrating on the biology of groundfish and gradually expanding its work on the biology of inshore fisheries, collaborating at all times with the Atlantic Biological Station at St. Andrews, N.B. The responsibility for the Newfoundland fisheries technological investigations has been added to that of the Atlantic Fisheries Experimental Station at Halifax, N.S., necessitating an increase in the staff and an enlargement of the facilities there. (Fisheries Department Trade News.)

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DEPUTY ADMINISTRATOR, TRADE FAIR: Charles C. Hoffman of Montreal has been appointed Deputy Administrator of the Canadian International Trade Fair, the Minister of Trade and Commerce, Mr. Howe has announced.

In making the announcement, Mr. Howe said that the sudden and tragic loss in July of the Administrator, Mr. R.H. Dayton, has made necessary some reorganization of the Trade Fair administration. Mr. Glen Bannerman, Director of the Canadian Government Exhibition Commission, under whose general direction the Trade Fair has been run, has assumed direct responsibility as Administrator of the Fair, which takes place from May 28 to June 8, 1951. Mr. Hoffman will take charge of the Toronto office and the staff who carry out the details of the work.

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PRIME MINISTER GUEST OF HONOUR: The Prime Minister, Mr. St. Laurent, has accepted an invitation to be guest of honour at the annual dinner of the Royal Military College Ex-Cadet Club of Canada at the Kingston, Ontario, college on Saturday, September 30. The dinner and annual meeting of the Ex-Cadet Club will be held in conjunction with opening exercises for RMC.

RMC reopened its gates as a tri-service college for future officers in 1948. Cadets who enrolled then will be starting their third term at the end of this month. First graduates will not leave the college until 1952.

APPEALS FOR ACTION ON ST. LAWRENCE WATERWAYS

MR. CHEVRIER'S CORNWALL SPEECH: Stating that "the time has arrived for plain speaking" on the St. Lawrence Waterways, the Minister of Transport, Mr. Chevrier, said on September 14 "something must be done about this soon. Many of our citizens both here and elsewhere in Canada, are getting very impatient."

The Minister said that if no progress could be made on the combined scheme of navigation and power development, as outlined in the treaty signed by Canada and the United States in 1941, as would unfortunately seem to be the case, the application for power development by the Province of Ontario and the State of New York should be referred to the International Joint Commission for consideration and that "Canada should explore the possibility of constructing a deep waterway on the Canadian side of the boundary."

100TH ANNIVERSARY

Mr. Chevrier was speaking on the occasion of the 100th Anniversary of the union of the Counties of Stormont, Dundas and Glengarry in his home town, Cornwall, which is the focal point of the international section of the St. Lawrence River. The Minister also officiated at the unveiling of a memorial plaque which commemorates the centenary of the United Counties.

In his statement on the St. Lawrence Waterways situation, the Minister said:

"The St. Lawrence River in this area forms a bottleneck which impedes navigation of lake and ocean craft. The Long Sault Rapids have a potential 2,200,000 horse-power of electric energy, awaiting harnessing. This development has been awaited by our people for a long time. Ever since I was a boy, we have been talking around here about the development of the St. Lawrence waterway. Many difficulties stand in the way. One of them is that the international boundary line separating Canada and the United States runs up the middle of the river, and this is why negotiations extending over many years have had to be carried on between our two countries.

"These negotiations began as far back as 1895. They culminated in three agreements. First, the Niagara Convention, signed by our two countries in 1929, but never ratified. Second, the St. Lawrence Deep Waterway Treaty of 1932, signed by our two countries, but which was not ratified by the United States Senate because the treaty lacked the two-thirds affirmative vote required by that body. Third, the Great Lakes - St. Lawrence Basin Agreement, signed by our two countries in 1941 and which has become bogged down in the American Congress.

"I believe that now is the time for action on the St. Lawrence Waterways, and that the

time has arrived for plain speaking thereon. There is every reason for proceeding with this project now. From the military, economic and strategic viewpoints, the combined development of navigation and power on the St. Lawrence should be carried out at once and should no longer be delayed. It is inconceivable that Lake carriers should continue to be bottled up in the Great Lakes and not be able to come down to Montreal because of a short series of fourteen-foot draft canals. It is inconceivable likewise that iron ore in urgent demand in the Great Lakes area should be blocked from moving westward for the same reason. It is no less inconceivable that water power urgently required for military and industrial purposes, both by the Province of Ontario and the State of New York, should go to waste and serve only as a tourist attraction for thousands of visitors. Something must be done about this soon, and many of our citizens both here and elsewhere in Canada, are getting very impatient.

COMBINED DEVELOPMENT

"To my mind, the combined development of power and navigation on the St. Lawrence as outlined in the 1941 treaty, with certain reservation made by the State Department offers the best solution and should be approved. The people of Canada want this development. The Government of the United States has declared itself in favour of it on many occasions. But we cannot sit idly by and wait forever. If the Congress of the United States does not want to take action, we should know. Industry in Ontario is absorbing about 100,000 additional horsepower a year and lack of further power supply will have the effect of retarding industrial expansion in this Province. If there are interests in the United States that are going to stand in the way of the development forever, Canadians ought to be told. After we are convinced that no progress can be made on the combined scheme -- and unfortunately that seems to be the case -- then I believe that Canada should consent to the reference of the applications of Ontario and New York State to the International Joint Commission for consideration. In that event, I personally believe that Canada should also explore the possibility of constructing a deep waterway on the Canadian side of the boundary. Already we have fourteen-foot draft canals on this side; they can be deepened to twenty-seven feet. Engineers have clearly demonstrated that this is feasible and we would have a perfect right to proceed with such a development.

"I make these observations at a time when for military, economic and strategic reasons, we should press for action...."

HALF YEAR'S FARM CASH INCOME \$870,516,000

SUBSTANTIAL DECLINE: Cash income of Canadian farmers from the sale of farm products during the first six months of this year -- excluding Newfoundland -- was estimated at \$870,516,000, according to the Bureau of Statistics. This was 18.6 per cent below the half-year estimate of \$1,069,405,000 in 1949, and 5.9 per cent lower than the revised figure of \$925,008,000 for the first six months of 1948.

In addition to the above receipts, supplementary payments amounting to more than \$13,000,000 were paid out during the first six months of the year under the provisions of the Prairie Farm Assistance Act, to farmers in the drought stricken areas of the Prairie Provinces. This figure compares with more than \$9,000,000 and \$15,000,000 paid out during the respective periods of 1949 and 1948.

The substantial decline in farm cash income in 1950 is largely attributable to the fact that while \$213,300,000 were paid out to Prairie farmers in the form of participation and equalization payments during the first half of 1949, only \$6,300,000 were disbursed during the January-June period of this year. The payments in 1949 and 1950 were for the most part, in the form of equalization payments made on wheat received by western farmers during the period August 1, 1945 to March 31, 1949 and came as a result of a government announcement early in 1949 that the initial payment to western producers for wheat at the Lakehead would be raised 20 cents per bushel and made retroactive to August 1, 1945.

Cash income from the sale of wheat in 1950

was up as a result of both higher initial prices and increased marketings. On the other hand, reduced marketings and the receipt of initial prices only during the first half of this year have resulted in a coarse grains income below that of the same period a year ago.

Higher average prices for all livestock except hogs and increased marketings of all classes except sheep and lambs during the first half of this year have produced a cash income from this source of \$389,400,000, an increase of 10.4 per cent over the 1949 figure of \$352,800,000. This gain is due largely to an increase of approximately \$35,000,000 from the sale of cattle and calves.

Income from the sale of dairy products, estimated at \$153,700,000, was seven per cent below the corresponding 1949 figure of \$165,200,000. A decline of 13 per cent in the cash income from the sale of eggs to the end of June resulted from reduced prices more than offsetting an increase in marketings.

The reduction in the amount of money paid to Prairie farmers in the form of participation and equalization payments is reflected in the sharp drop in farm cash income received in this area. In the case of Saskatchewan, this drop in income amounted to nearly 50 per cent, while in Manitoba and Alberta it came to approximately 44 and 33 per cent, respectively. In the other provinces, the changes were much less significant, varying from almost no change in Nova Scotia to an increase of eight per cent in Prince Edward Island.

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COMPOSITION OF ARMY SPECIAL FORCE: Enlistments in the Canadian Army Special Force have passed the 9,000 mark, the Minister of National Defence, Mr. Claxton, stated on September 18. The figure does not include Active Force personnel already assigned or yet to be assigned to the new brigade, expected to total about 1,000.

Officer strength is now 235 with a healthy backlog of applications in process, but there is still a requirement for more junior officers.

Composition of the Special Force at the end of August, when its strength stood at 8,372, revealed some interesting statistics. Veterans of the Second World War made up 45% of the force, or a total of 3,813, and 20% of them (768) served as non-commissioned officers in that conflict. Seven hundred and twenty-eight have some trades qualifications. Married men numbered 2,630, or about 30% of the total strength.

Mr. Claxton also reported a steady increase in the strength of the Army's Active Force with over 1,800 new enlistments since the recruiting drive was launched July 20. Navy

and Air Force figures tabulated to September 9 show that since July 20 the Navy attested 542 new recruits and the RCAF enlisted 698 -- 327 for air crew and 371 for ground crew.

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CANAL TRAFFIC SETS RECORD FOR JULY: Tonnage of freight passing through Canadian canal systems during July attained a new record total for the month at 3,628,783 tons, an advance of 573,822 tons or 18.8 per cent over the 3,054,961 tons for July last year, and compares with the previous high of 3,436,263 tons in 1943. Soft coal, corn, and petroleum led the advance in volume.

Total tonnage locked through the Sault Ste. Marie canals -- Canadian and United States locks -- was 16,196,586 tons in July, up 611,265 tons or nearly four per cent over July last year. Welland Ship canal freight traffic amounted to 1,850,703 tons, a gain of 197,109 tons or nearly 12 per cent over a year earlier. Greatly augmented traffic was reported on the St. Lawrence canals during July, with 1,428,693 tons of freight as against 955,246 tons in July, 1949, an increase of 49.6 per cent.

R.C.N. EXERCISES OFF NORTHERN IRELAND: The Canadian aircraft carrier Magnificent and the destroyers Huron and Micmac were scheduled to sail from Londonderry, Northern Ireland, this week for Rosyth, Scotland, second port of call on their three-month European training cruise.

The Canadian squadron has been at Londonderry for more than two weeks, most of which was spent on concentrated anti-submarine exercises conducted under the joint Royal Navy - Royal Air Force anti-submarine Training School.

The training schedule ended with a comprehensive review of the practical exercises held last week at sea. From these discussions, officers and men were able to make a useful assessment of their capabilities in dealing with U-boats, and to lay the basis for future anti-submarine training.

Conditions for the sea exercises were made as realistic as possible and the weather did its best to duplicate the North Atlantic on its more rugged days, providing fog, low cloud and, finally, winds of gale force.

On the final day of the exercises, a carrier patrol group consisting of the Magnificent, Huron and Micmac and the British destroyers Crispin and Creole and frigates Loch Fada and Loch Veyatie carried out offensive searches and strikes against submarine concentrations threatening shipping in the North Western approaches to the British Isles.

The opposition was furnished by British submarines attached to the training school.

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GOVERNMENT REVENUES, EXPENDITURES: The Minister of Finance, Mr. Abbott, released on September 16 a statement compiled by the Comptroller of the Treasury covering revenues and expenditures of the Government of Canada for the month of August.

The Comptroller's statement shows total revenues of the Government for the month of August amounted to \$205.3 million compared with \$187.8 million for the month of August last year. Total revenues for the first five months of the fiscal year amounted to \$1,067 million compared with \$1,066 million for the same period a year ago.

The Comptroller's statement also shows total expenditures for the month of August of \$165.5 million compared with \$147.2 million for August, 1949, an increase of \$18.3 million. Total expenditures for the first five months of this fiscal year amounted to \$774.4 million compared with \$772 million for the same period last year.

Revenues for August exceeded expenditures by \$39.8 million. This compares with a budgetary surplus of \$40.6 million for the same month last year. The budgetary surplus of the Government for the first five months of the fiscal year amounted to \$292.7 million compared with \$294.6 million for the same period last year.

In addition to budgetary expenditures, there were non-budgetary disbursements, that is, outlays for loans, advances and investments amounting to \$40 million in the period April 1 to August 31, 1950, compared with \$97.5 million in the comparable period of 1949.

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HOURLY EARNINGS 103.9 CENTS: Average hourly earnings of hourly-rated wage-earners reported by leading Canadian manufacturing establishments advanced to 103.9 cents at July 1 from the June 1 figure of 103.5 cents, and 99.1 cents at July 1 last year. Average weekly wages of these wage-earners moved up to \$44.26 from \$43.47 at June 1, and \$41.42 at July 1 last year. The hours of work in the week of July 1 averaged 42.6 compared with 42.0 at June 1, and 41.8 a year earlier.

The durable manufactured goods, average hourly earnings rose to 112.0 cents from 111.4 at June 1, and 106.7 at July 1 last year. The hours of work averaged 42.9 as against 42.2 at June 1, and 42.4 a year ago, and the average weekly wage was \$48.05 as against \$47.01 at June 1, and \$45.24 at July 1, 1949.

In the non-durable goods industries, hourly earnings averaged 95.6 cents as compared with 95.5 at June 1, and 91.3 at July 1 last year. Average work-week was 42.2 hours as against 41.7 at June 1, and 41.2 a year ago, and average weekly earnings amounted to \$40.34 compared with \$39.82 at the first of June and \$37.62 at July 1, 1949.

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DEPARTMENT PRESS OFFICE: The Department of External Affairs announced on September 14 the establishment of a separate Press Office to assist members of the Parliamentary Press Gallery and other journalists in Ottawa to secure information concerning Canada's external relations.

Mr. Allan Anderson, hitherto Head of the Department's Information Division, will be in charge of the Press Office and will be assisted by Miss Frances Carlisle, formerly of the Information Division. The Press Office will be located in the East Block.

The Information Division, which has been looking after the Department's relations with the press, will retain its other responsibilities. Mr. Paul Tremblay will be Acting Head of the Division.

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POPULATION 13,871,000: Canada's population increased 143,000 in the first six months of this year, bringing the total for the 10 Provinces at July 1, 1950 to 13,871,000 as compared with 13,728,000 on January 1, according to an estimate by the Bureau of Statistics.

The increase in the previous half year was 149,000, making an estimated gain of 292,000 during the 12 months ending July 1 this year. On July 1 last year the estimated population was 13,579,000.

SMALL CREDIT BALANCE ON TRADE WITH U.S.

JULY TOTALS HIGH: The value of Canada's merchandise imports exceeded the value of total exports by the narrow margin of \$2,700,000 in July. This small debit balance compares with credit balances of \$9,300,000 in June, and \$12,800,000 in July last year. During the first seven months of the year the deficit on foreign trade was \$7,700,000 compared with a credit of \$41,900,000 in the like period of 1949.

Trade between Canada and the United States produced a small credit balance of \$100,000 in July -- the first this year -- as compared with a debit balance of \$54,200,000 in July last year. In the seven months the debit balance was cut sharply to \$87,500,000 from \$362,500,000 a year earlier.

TRADE WITH UNITED KINGDOM

In trade with the United Kingdom in July the favourable balance fell to \$2,600,000, down from \$41,700,000 in the corresponding month last year, and in the seven-month period it fell to \$52,600,000 from \$215,800,000.

Imports from all countries in July were valued at \$259,500,000 as compared with \$230,900,000 in the corresponding month last year, and in the first seven months of the year the aggregate value was \$1,712,500,000 as compared with \$1,640,300,000 a year earlier. But the volume imported this year is slightly lower as average import prices have increased more than this rise of 4.4 per cent in value. Domestic and foreign exports, as announced earlier by the Bureau, were valued at \$256,700,000 in July as against \$243,700,000 in July last year, bringing the seven-month total to \$1,704,800,000 as against \$1,682,100,000.

Imports from the United States continued at a high level in July, being valued at \$170,600,000 as against \$160,300,000 a year ago -- but down to 65.7 per cent of all imports as against 69.4 per cent -- and in the seven-month period aggregated \$1,175,200,000 compared with \$1,169,000,000. An appreciable reduction in the volume of imports from the United States is indicated by this slight increase in

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ICAO TRAINEE PROGRAMME: The commencement of the fourth trainee programme of the International Civil Aviation Organization was announced on September 18 by Dr. Albert Roper, Secretary General of the Organization, with the arrival in Montreal of the six new nominees chosen from ICAO's 58 member nations.

ICAO's administration makes it possible for member nations to send representatives nominated by them to ICAO headquarters for short periods of familiarization in the work of the organization. On completion of this study the participants return to the service of their home governments and there help maintain liaison between their administrations and ICAO.

value as average import prices since the devaluation of the Canadian dollar last September have been higher. Total exports to the United States in the month were valued at \$170,700,000 as against \$106,000,000, and in the seven-month period totalled \$1,087,700,000 as against \$806,600,000.

Merchandise imports from the United Kingdom in July rose to \$32,700,000 from \$29,400,000 a year earlier, and in the seven months were higher at \$219,900,000 as against \$192,600,000. The rise in the volume of imports from the United Kingdom has been more substantial than this rise in value as the figures of values are affected by the devaluation of sterling. Total exports, on the other hand, declined sharply to \$35,300,000 from \$71,100,000, and in the seven months were down to \$272,500,000 from \$408,500,000.

FROM COMMONWEALTH COUNTRIES

Merchandise imports from Commonwealth countries other than the United Kingdom in July were valued at \$22,000,000 as against \$15,200,000, and in the seven months aggregated \$119,000,000 compared with \$107,500,000. Purchases from foreign countries other than the United States in the month were valued at \$34,100,000 compared with \$26,000,000 last year, and in the seven months totalled \$198,400,000 compared with \$171,200,000.

Purchases from Latin American countries rose in the month to \$18,078,000 from \$16,771,000 a year ago, and were slightly higher in the cumulative period at \$108,131,000 as against \$103,222,000. Purchases were higher both in the month and seven-month period from Argentina, Brazil, Colombia, Costa Rica, Haiti, Mexico, Panama, and Peru, but lower from Cuba, Dominican Republic, Guatemala, Honduras, and Venezuela.

Imports were higher from Europe in the month at \$8,345,000 as against \$6,262,000, but slightly lower in the seven-month period at \$49,995,000 as against \$50,964,000. There were increased purchases in both periods from Germany, Spain, Sweden, and Switzerland.

The new trainees, who will spend three months at ICAO headquarters in Montreal are:
Burma: U. Kyaw Tun, Deputy Director of Civil Aviation;
Indonesia: Syahfuan Gatam, Department of Communications Official;
Italy: Arcangelo Paoletti, Director of Civil Airport;
Lebanon: A.D. Abdul-Hak, Air Traffic Controller, Department of Civil Aviation;
Pakistan: Wing Commander A.B. Awan, Deputy Director of Operations, Department of Civil Aviation.

(A representative from Iran is also expected shortly.)

PLAN INTERNATIONAL AIRPORT AT WINDSOR: The Minister of Transport, Mr. Chevrier, announced on September 18 that the U.S. Civil Aeronautics Administrator, Mr. D.W. Rentzel, accompanied by Mr. Percy Warner, U.S. Department of State, and Mr. W. Willoughby of the U.S. Embassy had met with the Chairman of the Canadian Air Transport Board, Mr. J.R. Baldwin, and the Director of Air Services, A/V/M/A.T. Cowley, for an informal and exploratory exchange of views on a variety of subjects. Among other things discussed was the possibility of providing in the Windsor area an international airport for use by both Canadian and U.S. airlines serving the Detroit-Windsor community.

Subsequently, the Minister of Trade and Commerce, Mr. Howe and the Minister of Transport also met with the officials.

These discussions ranged over such topics as location of site, type of airport required, measures for joint control, and similar administrative problems.

As a result of the exchange of views, it was felt that prospects for development justified a further and more detailed study of the problems involved. This will be undertaken by the officials of both Governments with a view to further discussions at an early date.

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WHEAT QUALITY DOWN: Rains over the past 10 days have delayed harvesting in Manitoba and Saskatchewan but ideal harvesting weather has been experienced in Alberta, the Bureau of Statistics reported on September 19. While yields of cereals will be above average, the quality, particularly of wheat, will be generally poor. Extensive areas were affected by frost with the result that a large portion of the wheat crop will grade Number 5 or lower. While about half of the cutting or swathing has been completed in Manitoba, less than 10 per cent has been threshed. In Saskatchewan, up to 65 per cent of the crop has been cut to date. About 10 per cent has been threshed in southeastern Saskatchewan with 35 per cent threshed elsewhere in the Province. Cutting and threshing are well advanced in southern Alberta. In the remainder of the Province cutting should be finished by the end of the month while threshing has just commenced.

Harvest in Manitoba has been delayed by recent heavy rains. About half of the cereal crop has been cut or swathed to date with less than 10 per cent threshed. Fields are drying now, however, and harvest is again in full swing in many areas. Wheat and oats in some districts are yielding rather less than anticipated earlier in the season and grades run quite generally from Number 3 down. Barley is turning out quite well. Another week to 10 days of warm, frost-free weather will be re-

quired in southern and central areas to see the corn and sunflower crops through to maturity. Lifting of sugar beets started last week and the crop is promising. Pastures are excellent.

Adverse weather has held up harvesting in Saskatchewan for the past week or 10 days. About 65 per cent of the cutting has been completed except in the northern portion of the southeast part of the Province. With the exception of this area 35 per cent of the grain has been threshed. Frosts have reduced yields and caused a drastic lowering of grades of wheat in most parts of the Province.

In contrast to the adverse weather conditions experienced in Manitoba and Saskatchewan, weather in Alberta has been ideal and harvest is progressing satisfactorily.

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LABOUR INCOME HITS NEW PEAK: Labour income in Canada reached a monthly peak figure of \$683,000,000 in June, showing an advance of 3.6 per cent over May, and an increase of 5.9 per cent over the same month last year. This raised the aggregate for the first six months of 1950 to \$3,862,000,000 from \$3,695,000,000 in the corresponding period of 1949.

The principal cause of the latest increase in labour income was the upward movement in employment as reflected in the employment index which moved from 192.3 for June to 133.0 at July 1; it was also due, partly, to a slight rise in average weekly earnings. At 167.5, the all-Canada cost-of-living index for July was 2.1 points higher than in June.

Labour income was higher than last year in each of the groups of industries both in June and the half-year period. The month's total for manufacturing advanced from \$216,000,000 a year ago to \$229,000,000, and in the six-month period from \$1,276,000,000 to \$1,316,000,000. In utilities, transportation, communication, storage and trade, the June figure was \$180,000,000 as compared with \$170,000,000 and in the six months stood at \$1,026,000,000 against \$978,000,000.

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WHEAT STOCKS: Deliveries of wheat from farms in the Prairie Provinces during the week ending September 7 were sharply higher than in the corresponding week last year, while overseas export clearances were moderately below last year's volume. Visible supplies on September 7 also declined.

Deliveries during the week ending September 7 amounted to 17,079,804 bushels as compared with 5,104,625 a year earlier, and the export clearances totalled 2,332,115 bushels as against 2,642,678. Stocks in store or in transit in North America on September 7 amounted to 98,673,259 bushels compared with 106,668,403.

WHEAT CROP ESTIMATE NOW 490,000,000 BUSHEL

PRAIRIE FROSTS CAUSE DROP: Canada's 1950 wheat crop is now placed at 490,000,000 bushels, according to the second estimate of principal field crops released by the Bureau of Statistics. This production is being obtained from a seeded area of 27,500,000 acres with an average yield of 18.1 bushels per acre. Oat production is estimated at 415,000,000 bushels, barley at 179,000,000, mixed grains at 71,000,000, rye at 14,600,000, and flaxseed at 4,900,000 bushels. The outturn of hay and clover is placed at 12,900,000 tons, and alfalfa at 3,200,000.

The second estimates of production of grain crops are lower than those issued at mid-August. Severe frosts which struck Saskatchewan and to a lesser extent Alberta and Manitoba in the 10 days following the release of the first estimate were chiefly responsible for the drop in estimated production. Wind and rain storms in some sections of the Prairies and snow in the Peace River area also contributed to the decline.

Since the harvest of spring grains as well as late crops is abnormally late this year over much of the country, these estimates should be considered in the nature of forecasts and may be subject to significant re-

visions in the light of actual harvesting conditions. The yield estimates are based on August 31 reports from crop correspondents and on information supplied through the officials responsible for agricultural statistics in each of the provinces.

The 1950 wheat crop, currently estimated at 490,000,000 bushels is 123,000,000 above the 1949 outturn and 96,000,000 above the 10-year (1940-49) average of 394,000,000 bushels. In the Prairie Provinces the wheat crop is expected to reach 455,000,000 bushels as compared with 337,000,000 in 1949 and 370,000,000 for the 10-year average. The anticipated average yield of wheat in the Prairie Provinces this year is 17.6 bushels per seeded acre, with Manitoba averaging 21.4, Saskatchewan 17.3, and Alberta 17.1 bushels per seeded acre. The reduction in quantity from the first estimate is greatest in the Province of Saskatchewan but reports indicate that abnormally high proportions of the crop in all three of the Prairie Provinces will be low in quality.

Canada's 1950 oat crop, now estimated at 415,000,000 bushels is 97,000,000 bushels above the 1949 outturn and about 12,000,000 above the 10-year average.

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NATIONAL NOTES

The Secretary of State for External Affairs, Mr. Pearson, was interviewed by United Nations correspondents on the ABC's "United or Not" programme in New York on September 18.

An inquiry was commenced at Quebec City on September 18 into the fire aboard the Canada Steamship Lines' cruise ship "Quebec" on August 4 which cost seven lives.

William Robert Givens, 82, for 20 years Publisher of the Kingston Daily Standard, and for five years President of the Whig-Standard, died in Kingston on September 18.

Meeting at Sherbrooke, Que., the Canadian Catholic Confederation of Labour, on September 18, adopted a resolution that would ban picketing, and have struck companies close their plants for the length of a strike by employees.

London, Ont., ratepayers voted on September 19 to purchase the present transit system for \$1,000,000.

The Minister of Justice, Mr. Garson, has announced that 395 members of the radical Sons

of Freedom will be released from prison on parole and on a pledge that the Doukhobors will obey the law.

The General Council of the United Church of Canada on September 20 agreed to ask the Anglican Church to join in new talks aimed at union and said it will make further efforts when the Church of England in Canada has pledged itself in a similar definitive manner.

Canada's Civil Defence Co-ordinator, Maj. Gen. F.F. Worthington, said in Winnipeg on September 20 that four-lane arterial highways leading out of large cities are essential to minimize the effects of a possible full-scale war.

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(Continued from P.1) CANADA AT THE UN

follows: On the first two paragraphs of the Canadian proposal, including the Australian amendment, 38 votes in favour to 6 against, with 11 abstentions; on the last paragraph, 42 votes in favour to 8 against, with 6 abstentions.

The two Soviet proposals were put to the vote next. The first one was rejected by 38 votes to 10, with 8 abstentions, and the second by 37 votes to 11, with 8 abstentions.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

45 P. C. GAIN IN AUGUST EXPORTS TO U.S.:

With a further marked gain in shipments to the United States and a small increase to Latin American countries offsetting declines to the United Kingdom, other Commonwealth and other foreign areas, Canada's total domestic exports were slightly higher in August than in the corresponding month last year. It was the fourth successive monthly gain and the fifth this year, and is noteworthy in view of the railway strike, which affected shipments to the United States particularly.

Total value of the month's domestic exports was \$257,100,000 as compared with \$251,700,000 in August, 1949. For the first eight months this year the aggregate value was \$1,941,400,000 as against \$1,917,600,000 in the same period last year.

Exports to the United States in the month were valued at \$167,148,000, up nearly 45 per cent from last year's corresponding total of \$115,353,000. The total value for the eight months amounted to \$1,240,292,000 as against \$910,604,000 a year earlier, an increase of over 36 per cent. It is apparent that only a minor part of this increase is due to the higher value of United States dollars, in effect since September 18 last year. Exports to the United States accounted for 65 per cent of the total to all countries in the month as against 45.8 per cent a year earlier, the eight-month

proportion standing at 64 per cent as against 47.5.

There were gains in exports to the United States in all main commodity groups in August, largest increases being shown in animals and animal products, wood, wood products and paper, and non-ferrous metals and products. The animals group rose to \$22,966,000 from \$13,668,000, wood, wood products and paper to \$88,718,000 from \$61,021,000, and non-ferrous metals and products to \$21,644,000 from \$16,132,000.

Exports to the United Kingdom were down a third both in August and the eight-month period. The August value was \$42,544,000 compared with \$62,882,000, and that for the cumulative period was \$313,629,000 compared with \$469,041,000. Seven of the nine main commodity groups were lower in both periods, the exceptions being non-metallic minerals and chemicals. Agricultural products fell in value to \$16,179,000 from \$23,975,000, and non-ferrous metals to \$13,836,000 from \$14,373,000.

Exports to other Commonwealth countries fell in the month to \$10,800,000 -- the lowest level in years -- from \$24,800,000, and in the eight-month period declined to \$121,900,000 from \$222,800,000. Shipments to the Union of South Africa were down in August to \$1,633,000 from \$8,765,000, India to \$2,774,000 from \$3,598,000, Australia to \$1,713,000 from \$2,-

EMPLOYMENT SITUATION: At the beginning of September, the stepped-up defence programme and the increase in demand for many products continued to provide a strong impetus to an expansion in employment in leading industries. During the railway dispute, however, some firms temporarily laid off workers, while others postponed making scheduled additions to their staffs. As a result, registrations on hand at National Employment Service offices increased to 151,600 on August 31, about 5,000 above the number on hand at August 17, but 6,500 below the total at the beginning of the month, the Minister of Labour, Mr. Gregg, announced on September 21.

This increase in registrations in the latter half of August, the first in almost five months, was concentrated in Ontario and the Prairie regions, where most of the layoffs of non-railway workers occurred. In both Newfoundland and the Quebec regions, total registrations declined in the two weeks of the strike, and in the Maritimes and British Columbia, the increases were relatively slight, his statement proceeded.

MORE MARRIED WOMEN SEEK EMPLOYMENT

The employment situation for women continues to be much less favourable than for men. At August 31, there were 54,000 registrations from women on hand at National Employment Service offices, 14,300 more than at this time last year. Industries which employ large numbers of women, such as textiles and services, have not shared in the recent expansion. Reports from managers of local Employment Service offices indicate that married women are seeking jobs in much greater numbers than last year, in large part because of the rise in the cost of living. These married women will be difficult to place in jobs as long as employers continue to express a preference for single women.

Primary iron and steel, non-ferrous metals, electrical apparatus and pulp and paper are among the manufacturing industries which continue to respond to the stimulus of increased demand for their products in both Canada and the United States. Until the rail dispute, this was reflected in an increase in manufacturing employment. Now that the railways are once more in operation, many new hirings can continue as scheduled, and for the balance of this year employment in manufacturing is expected to be above the high level reached in 1949.

Neither agriculture nor logging was seriously affected by the strike, and in both these industries demand for labour continued heavy. Although recent frosts have reduced the western wheat crop considerably, the need for harvest workers continues strong, especially as the Manitoba harvest coincides with that in Saskatchewan this year. Demand for labour in the pulp and lumber cutting in most sections of the country exceeded the supply, and the heavy cut of pulpwood and lumber is expected

to continue throughout the rest of the year. The construction industry is now close to its seasonal peak and a shortage of skilled workers continues.

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OPEN INSTITUTE OF AEROPHYSICS: The University of Toronto's Institute of Aerophysics at Downsview Airport, just north of Toronto, was opened on September 26 by Air Marshal W.A. Curtis, CB, CBE, DSC, ED, Chief of the Air Staff, representing the Minister of National Defence, Mr. Claxton.

A gleaming steel sphere, higher than a three-storey building, is the Institute's key piece of equipment. Air is pumped from the sphere until something better than 99 per cent vacuum is attained. Then, when a valve is opened, the air whooshes back in through the wind tunnel at speeds up to seven times the speed of sound. Stationary models in the tunnel are studied and the shock waves photographed as the air rushes past. The experiments show precisely what would happen if the model itself were travelling thousands of miles an hour.

DR. PATTERSON DIRECTOR

Director of the Institute and designer of its laboratory is Dr. Gordon N. Patterson, Professor of Aerodynamics at the University of Toronto and one of the continent's best brains in supersonic research. The Canadian who set up the Australian Government's aerodynamics lab during the war, he is now a member of the aerodynamics panel at the U.S. Naval Ordnance Laboratory, White Oak, Md., where he spends one week in four. Dr. Patterson says the two primary purposes of the Institute are: (a) to train scientists in the basic physics of gases, applied aerodynamics and ballistics with special emphasis on rocket propulsion and supersonic flight, and (b) to conduct research in these fields and develop practical applications. An advisory committee has been appointed to keep Dr. Patterson in close touch with design problems encountered by industry and the armed services.

Representatives of Canadian and U.S. universities, the Defence Research Board, National Research Council, the Canadian aircraft industry, and the armed forces were at the official opening. Attending in a body were the Commonwealth Advisory Aeronautical Research Council, comprising delegates from Canada, Australia, New Zealand, South Africa and the United Kingdom.

The laboratory they inspected has no counterpart in Canada and few elsewhere in the world. In one large room is what appears to be an imprisoned balloon; this is the dry air storage chamber with its moveable nylon lining. Some 36,000 cubic feet of air, thoroughly dried, can be collected here in 45 minutes. This is enough to operate the wind tunnel for 20 seconds.

CANADIAN OFFICERS OBSERVERS: Two senior officers of the Canadian Army -- Col. Dollard Ménard, DSO, and Lt.-Col. M.E.P. (Paul) Gameau -- have been appointed military observers with the United Nations' Commission for India and Pakistan, the Minister of National Defence, Mr. Claxton, announced on September 22. They left to start their new duties last week-end.

Col. Ménard, who was awarded the Distinguished Service Order for gallantry at Dieppe in August 1942 when he commanded Les Fusiliers Mont-Royal, has been serving since September 1947 as Canadian military attaché to France. He is a former officer of the Royal 22nd Regiment and went overseas with the 2nd Canadian Division in 1940. Prior to that time he had served on attachment to various units of the British Army in India. He also commanded Le Regiment de Hull in the invasion of Kiska, 1943.

Lt.-Col. Gameau served with the Royal 22nd Regiment in the United Kingdom during the early days of the war, then returned to Canada in 1941 to take the staff course at Kingston. Returning to Europe, he took part in the Dieppe raid and was also awarded the Distinguished Service Order for gallantry. Later he served in Sicily and Italy with the Royal 22nd, then returned to Canada in January 1944 and was posted as a Canadian observer to the United States 10th Army in the South Pacific in January 1945. He was present at the capture of Okinawa.

Col. Ménard attended the "École d'État-Major" in Paris from October 1946 to September 1947, and Lt.-Col. Gameau has recently attended the "École Supérieure de Guerre" in Paris.

* * * *

NOVEL LIGHTSHIP: "A snug little ship" is the way seafarers described the Department of Transport's newly built lightship which sailed from Montreal on September 21 to take her position on the dreaded Lurcher shoal off the coast of Nova Scotia at the entrance to the Bay of Fundy. The lightship, which is only 128 feet long by 30 feet wide, was built at Canadian Vickers Limited shipyard here and turned over to the Department last week.

The new lightship has been designed and constructed so as to be able to hold station on a very stormy location at the entrance of the Bay of Fundy with a minimum amount of pitch, surge and rolling. To meet these requirements many innovations have been included in the construction of the vessel. The wheelhouse has been provided with special watertight doors while the ventilators are of the mushroom type so that the vessel may ride out the worst storms without shipping water. Air conditioned ventilating facilities are provided for 20 air changes per hour throughout the vessel except in the store spaces.

Special comforts of officers and crew are provided inasmuch as the lightship will be required to stay on position for months at a time.

TO EXPAND POLYMER PLANT: The Minister of Trade and Commerce, Mr. Howe, announced on September 20 that a major expansion of the Government's synthetic rubber plant, operated by the Polymer Corporation at Samia, Ontario, had been authorized on the recommendation of the Corporation's Board of Directors. Involving an expenditure of upwards of \$6,600,000, the programme will result in an expansion of between 20 and 25% in productive capacity.

Built in 1942 - 3 to supply vitally needed rubber, the Company has achieved outstanding success in marketing its output. Increased diversification and constant improvement in quality has enabled its products to become increasingly aggressive competitors with crude rubber, while an active sales programme throughout America and Western Europe has developed markets for its entire production.

DEMAND EXCEEDS PRODUCTION

Although the plant is currently operating at a rate of approximately 130,000,000 pounds of rubber per year, the high price for crude rubber which has prevailed since early in 1950 and additional military requirements have resulted in a demand for the Company's products, from both domestic and foreign sources, far in excess of the Company's present productive capacity. Since it is anticipated that this demand will continue for an extended period, the Directors feel that an immediate expansion of the Butyl and Copolymer rubber plants, as well as the Styrene and Butadiene units, should be undertaken.

Work will get under way as soon as process engineering and design plans can be completed. It is expected that the expansion of the Butyl and Styrene plants will be completed within eight months and the Butadiene and Copolymer plant extensions within twelve months. Pending completion of the latter unit, the additional styrene output will assist in meeting the increased requirements of the plastics industry in Canada. The \$6,600,000 programme will enable the production of Butyl rubber, used largely for inner tubes and mechanical goods, and Polysar S type rubbers, used largely for tires, wire, cables, and footwear, to be increased to 36,000,000 pounds and 126,000,000 pounds a year, respectively.

"I am pleased to state that no capital advance from the Government will be necessary. The expansion programme will be financed by the Company out of its reserves for depreciation and obsolescence and current earnings," the Minister stated.

* * * *

18 NEW NAVY VESSELS: The Minister of Trade and Commerce, Mr. Howe, announced on September 22, that contracts totalling \$43,250,000 have been awarded to Canadian shipbuilding yards for the construction of eighteen vessels required by the Royal Canadian Navy. These vessels will be in addition to contracts, valued at \$28,200,000, placed earlier this year. The

allocation of these contracts to the various yards has been made in co-operation with the Canadian Maritime Commission.

Four anti-submarine escort vessels, valued at \$32,000,000, will be constructed by the Burrard Dry Dock Company Limited, North Vancouver, B.C.; Canadian Vickers Limited, Montreal, Que.; Marine Industries Limited, Sorel, Que.; and Halifax Shipyards Limited, Halifax, N.S.

Four gate vessels, valued at \$2,000,000, will be constructed by Victoria Machinery Depot Company Limited, Victoria, B.C.; Burrard Dry Dock Company Limited, North Vancouver, B.C.; Geo. T. Davie and Sons Limited, Lauzon, Lévis, Que.; and Pictou Foundry and Machine Company Limited, Pictou, N.S.

Ten influence type minesweeping vessels, valued at \$9,250,000, will be constructed by Yarrows Limited, Victoria, B.C.; Victoria Machinery Depot Company Limited, Victoria, B.C.; Port Arthur Shipbuilding Company Limited, Port Arthur, Ont.; Midland Shipyards Limited, Midland, Ont.; Canadian Vickers Limited, Montreal, Que.; Davie Shipbuilding and Repairing Company Limited, Lauzon, Lévis, Que.; Geo. T. Davie and Sons Limited, Lauzon, Lévis, Que.; Marine Industries Limited, Sorel, Que.; and the Saint John Dry Dock Company Limited, Saint John, N.B.

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MINES BRANCH SETS UP NEW DIVISION: The present acute shortage of industrial minerals for use in Canada's rapidly expanding chemical, construction, and manufacturing industries and the consequent urgency for research on these minerals to promote the development of new sources has led to the setting up of an Industrial Minerals Division in the Mines Branch of the Department of Mines and Technical Surveys, the Deputy Minister, Mr. Boyer, announced on September 25. The Department has many calls from industry for work on these minerals and establishment of the new Division will enable it to meet the increasing requirements to better advantage. The Division was formerly a section of the Mineral Resources Division, and was set up with the concurrence of the Civil Service Commission.

Mr. M.F. Goudge who has been in immediate charge of the Department's work on industrial minerals for the past several years will head the new division. He will direct the stepped-up programme of investigation work into the processing and utilization of non-metallic minerals, sands, clays, and rocks. Increased attention will also be paid to another important phase of the Division's work, the study of Canada's water supplies for industrial use.

Mr. G.C. Monture will continue as Chief of the Mineral Resources Division, a main feature of the Division's work being the compilation of an index of all known Canadian mineral occurrences. To date in this work all the significant metallic mineral occurrences have

been indexed, and the indexing of occurrences of the non-metallic minerals is well advanced. When completed the inventory will provide a basis for the appraisal of Canada's mineral production potential.

As now organized the Mines Branch under Mr. C.S. Parsons, Director, has six divisions, the four in addition to the above being, Mineral Dressing and Process Metallurgy, Fuels, Physical Metallurgy, and Radioactivity.

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STUDIES BEING MADE OF FAMILY FOOD COSTS: How do families with a low income spend their food dollar and are they getting the most food value for their money?

The answers to these questions are to be sought at the Hospital for Sick Children, Toronto, in a detailed study of food records from 1,093 families. The investigation is being supervised by Dr. Elizabeth Chant Robertson, an assistant physician of the hospital and clinic teacher in paediatrics at the University of Toronto.

The data on which the study is being based is believed to be the most complete ever obtained in Canada for this type of survey. The information includes not only the amounts and costs of food bought and the types of meals served but also records the size of the family, the ages of children, the parents' occupations, and details about available cooking equipment and food storage space.

This study is being financed by a grant under the national health programme. The Minister of National Health and Welfare, Mr. Martin, said that the results of the research should be of great practical value to public health nurses, nutritionists, home economists, social workers and health educators who are educating families in better eating habits and preparing informational material on food buying.

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DWELLINGS CONSTRUCTION: Starts on the construction of new dwelling units in the first six months of this year were increased over the same period of 1949, gains in both May and June accounting for the rise. On the other hand, completions were lower in the month and half year, resulting in a substantial increase in the carryover of dwelling units in various stages of construction at the end of the period.

The number of dwelling units on which construction was started in the half year was 42,149 as compared with 40,199 in the similar period of 1949. Completions totalled 35,968 as against 39,726, and the carryover of uncompleted units was 63,634 as against 56,787. In June, starts were up to 12,065 units from 10,528, but completions fell to 6,527 units from 7,275. Figures for Newfoundland are included in the 1950 all-Canada totals, but are not available for 1949.

TIME LOSS DUE TO WORK STOPPAGES: Time loss due to work stoppages arising from industrial disputes during August, 1950, was higher than the previous month due mainly to the strike of non-operating railway workers which accounted for 94 per cent of the total time lost during the month, according to a summary of strikes and lockouts issued on September 23 by the Minister of Labour, Mr. Gregg.

Although the time loss was higher, the number of strikes in existence during August, 1950, was considerably lower than in the previous month and slightly lower than in August, 1949.

Preliminary figures for August, 1950, show 19 strikes and lockouts in existence, involving 129,787 workers with a time loss of 1,053,000 man-working days, as compared with 32 work stoppages in July, 1950, with 6,379 workers involved and a time loss of 50,750 days. In August, 1949, there were 20 strikes and lockouts, involving 4,574 workers with a time loss of 36,276 days.

For the first eight months of this year, preliminary figures show 99 strikes and lockouts, involving 149,122 workers with a time loss of 1,263,322 man-working days. For the same period in 1949, there were 92 strikes with 32,005 workers involved and a time loss of 766,013 days.

* * * *

NEW ATOMIC RESEARCH TOOL AT CHALK RIVER:

A new research tool has recently been put into operation at the NRC Chalk River atomic energy plant. It is an electrostatic accelerator, or van de Graaff generator, capable of producing at least four million volts, and is used as a source of high speed atomic beams for breaking up atomic nuclei. In this regard it will serve as supplementary equipment to the atomic pile. It can produce beams of charged particles of accurately known energy and direction in contrast to the great numbers of slow neutrons provided by the pile. Similar accelerators in the United States and in England are playing an important role in the study of atomic nuclei. The machine at Chalk River was designed and built in NRC's Radio and Electrical Engineering Division at Ottawa, after consultation with the inventor Dr. van de Graaff of the Massachusetts Institute of Technology, Cambridge, Mass.

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NAVAL APPOINTMENTS: The appointment of Lieut.-Cdr. (P) Raymond Phillips, R.C.N., 28, of Ottawa, as commanding officer of the Esquimaux-based training frigate H.M.C.S. Antigonish was announced on September 25 at Naval Headquarters.

He succeeds Lieut.-Cdr. William S.T. McCully, R.C.N., 31, of Kingston and Vancouver, who has been appointed officer-in-charge of the Torpedo Anti-Submarine School at H.M.C.S. Stadacona, Halifax.

"KILL OR BE KILLED": A recent training directive to the Canadian Army Special Force makes it clear to all ranks that their probable enemy is ruthless in his execution of war and "does not fight according to the rules as we know them.

"He knows only one rule: 'kill or be killed'", the directive points out, adding: "This, too, must be our guide."

Accordingly, training officers and NCOs are seeing to it that all weapons training is as practical as possible.

In place of standard "bulls-eye" targets normally used in the production of marksmen and snipers, "disappearing" and "surprise" targets simulating situations likely to occur on a battlefield are being used as much as possible.

Snipers, once they have proven themselves to be excellent shots, are being trained in physical endurance, powers of observation and fieldcraft. Emphasis is being placed on development of the characteristics of patience and mental stability under trying conditions, especially when working alone in front of and away from one's own troops. One phase of sniper training calls for long periods of lying or sitting motionless before getting off a fast, accurate shot at a barely visible target.

* * * *

RIEL'S GRANDSONS TO FIGHT IN KOREA:

Two grandsons of Louis Riel, leader of the Riel Rebellion in Western Canada in 1885, have enlisted in the Canadian Army Special Force for service in Korea with the United Nations Forces.

Both from Winnipeg, they are Ignace Riel, 26, who in the Second World War was twice wounded while serving in Northwest Europe with the Royal Winnipeg Rifles, and Alex Riel, a veteran of five years' service with the Queen's Own Cameron Highlanders from 1940 to 1945.

The two men were among the first to enlist in the 2nd Battalion Princess Patricia's Canadian Light Infantry and now are training at Currie Barracks, Calgary.

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1949 STORE SALES UP 6.5 P.C.:

The long uninterrupted rise in department store sales continued during 1949, when the aggregate value was \$855,488,000, up 6.5 per cent over the 1948 total of \$803,092,000. This increase was moderate in comparison with the 13 per cent in stocks. The average month-end inventory value in 1949 was \$189,000,000 compared with an average figure of \$167,300,000 in 1948.

The moderate increase in department store sales was a condition which affected specialty stores as well, but is not necessarily an indication of any relaxation of consumer ability or propensity to consume. Last year, the retail distribution of new motor vehicles rose sharply and cash output for down payments, together with commitments assumed by those

purchasing on instalment terms, caused the diversion of a certain amount of consumer buying power from other retail channels.

Sales increased fairly uniformly in all sections of Canada during 1949. Alberta, where new oil developments have stimulated business activity in recent years, led all provinces with a gain of 10 per cent. Sales were up four per cent in Quebec, while in other areas results conformed closely with the country-wide gain of nearly seven per cent.

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1,005,639 UNION WORKERS: The annual survey of labour organization by the Department of Labour has revealed that there were 1,005,639 union members in Canada on December 31, 1949, an increase of almost three per cent over the previous twelve months. Inclusion of Newfoundland unions in the survey for the first time accounted for about 24,000 among the total membership. This was in part responsible for a substantial advance in the membership of international and of independent local unions. Some falling off in membership of a few purely Canadian unions was noted.

An almost continuous increase in union membership since 1939 has been recorded. Membership figures to the nearest thousand for the years 1939 to 1949 have been as follows:

1939 - 359,000	1945 - 711,000
1940 - 362,000	1946 - 832,000
1941 - 462,000	1947 - 912,000
1942 - 578,000	1948 - 978,000
1943 - 665,000	1949 - 1,006,000
1944 - 724,000	

The membership of the Trades and Labour Congress of Canada with 2,865 locals of affiliated and directly chartered unions was 459,068. Decreases were recorded in the membership of the Canadian Congress of Labour and the Canadian and Catholic Confederation of Labour. Despite gains by several affiliated unions, the membership of the former was lower than in 1948, owing to the expulsion of two unions from its ranks during 1949 and stood at 301,729. The Canadian Congress of Labour has 1,175 locals. Canadian and Catholic Confederation of Labour unions reported a total membership of 80,089 in 424 locals.

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RAIL REVENUES, EXPENSES: Operating revenues and expenses of Canadian railways reached new high levels in 1949, the former showing an increase over 1948 of 2.1 per cent, and the latter a rise of 2.9 per cent. The increase in revenues was mainly due to the interim increase of eight per cent in freight rates, while higher material costs were responsible for larger expenditures.

According to preliminary figures released by the Bureau of Statistics, operating revenues for 1949 amounted to \$894,397,264 as compared with \$875,832,290 in 1948, while operating expenses rose to \$831,456,446 from \$808,126,-

455. This resulted in the reduction of net operating revenues to \$62,940,818 from \$67,-705,835 and of net operating income to \$30,-558,818 from \$33,162,676.

Revenue freight tons carried during 1949 declined 7.9 per cent to 142,719,431 tons from 154,932,804, and ton miles were down 4.6 per cent. Revenue passengers declined to 34,883,-803 from 38,279,981, and passenger train mileage decreased to 407,421,229 from 410,-689,409 in 1948.

Total number of employees rose to 192,366 from 189,963 a year earlier and the payroll reached \$523,453,375, an increase of \$11,398,-580 over 1948 payments.

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AUGUST TRADE FIGURES: A summary of foreign trade figures for August released by the Bureau of Statistics shows an increase in Canada's total domestic exports to \$257,100,000 from \$251,700,000 in August, 1949, and a rise in estimated total imports to \$268,900,000 as compared to \$212,100,000. Domestic exports to the United States increased to \$167,100,000 as against \$115,400,000, but to the United Kingdom declined to \$42,500,000 as compared to \$62,900,000. Estimated imports from the United States amounted to \$175,300,000 as compared to \$143,600,000. The import figures are only preliminary and therefore subject to revision.

* * * *

CANADA-U.S. TRAVEL: Travel between Canada and the United States was higher by plane in the first six months of this year but lower by rail, bus, and boat, according to figures released by the Bureau of Statistics.

Entries of foreign travellers from the United States by rail in the half year totalled 192,403 as compared with 232,105 a year earlier; bus, 139,308 against 143,799; plane, 66,908 against 57,537; and boat, 44,465 against 68,278.

Canadian travellers returning from the United States by rail numbered 225,215 compared with 239,929; bus, 235,794 compared with 232,922; plane, 49,802 against 44,302; and boat, 22,443 against 26,736.

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SPECIAL SERVICE SQUADRON AT ROSYTH: A ceremonial 15-gun salute marked the Canadian Special Service Squadron's arrival at this Scottish port just up the Firth of Forth from historic Edinburgh. The exchange of ear-shattering greetings between Vice-Admiral A.E.N.B. Cunningham-Graham, C.B., C.B.E. Flag Officer Scotland, and Rear-Admiral E.R. Mainguy, O.B.E., R.C.N., Flag Officer Commanding the Special Service Squadron was the signal for revival of 'Auld Acquaintance' between Canadian sailors and their old friends in the Scottish capital. The Magnificent, Huron and Micmac had steamed through calm seas off the east coast of Scotland for their rendezvous with their Scottish hosts.

LIAISON GROUP JOINS MCARTHUR HQ: A small party of four officers and five other ranks of the Canadian Army is already in the Far East, the Minister of National Defence, Mr. Claxton, announced on September 26.

The group, which will be attached to General McArthur's Headquarters, left Ottawa by air Wednesday, September 20, en route to Japan. It is headed by Col. F.J. (Frank) Fleury, MBE, 36, in the acting rank of brigadier. Brig. Fleury has been officer in charge of administration at Prairie Command HQ, Winnipeg.

With Brig. Fleury went Lt.-Col. Paul L.F. Sare, 38, and Lt.-Col. Leith R. Crue, 44, both of Army HQ, Ottawa, and both promoted last week from the rank of major. The former will be assistant adjutant general and the latter has been named assistant quartermaster general. The fourth officer was Capt. W.J. Gardner of Calgary.

Brig. Fleury, a graduate of Loyola College, Montreal, served during the war in Italy and at Canadian Military Headquarters in London, England. Following his return to Canada he was stationed in Ottawa until his appointment to Winnipeg in July, 1949. Lt.-Col. Sare and Lt.-Col. Crue are both veterans of the Second World War.

ARMY SENIOR APPOINTMENTS: New appointments affecting three senior officers of the Canadian Army were announced on September 26 by the Minister of National Defence, Mr. Claxton.

Brig. J.V. Allard, DSO and Bar, 37, presently commanding Eastern Quebec Area with headquarters at Quebec City, has been selected to attend the next course at the Imperial Defence College in the United Kingdom. Col. M.L. DeRome, OBE, ED, 39, will command in a temporary capacity during the absence of Brig. Allard. Col. W. Clement Dick, OBE, 37, who recently completed a tour as Director of the Canadian Army Staff College at Kingston, Ont., moves to Montreal to replace Col. DeRome.

R.C.N. AIDS KOREAN ISLAND COMMUNITIES: A voluntary reduction of the ship's company's rations recently enabled the Canadian destroyer, H.M.C.S. Cayuga, to supply desperately-needed food to a number of South Korean island communities cut off from supply centres on the mainland by Communist troops.

While on patrol in the Inchon area, the Cayuga discovered several villages whose food stocks were dangerously low. Although the Canadian ship immediately landed all spare food, her men considered they could do more. A special meeting of the Cayuga's welfare committee voted unanimously to cut their own rations to augment the supplies put ashore.

In addition, Capt. J.V. Brock, D.S.C., R.C.N., commanding officer of the Cayuga, and commander of a United Nations task group which included the three Canadian ships in the Korean

theatre, established areas off the coast in which he guaranteed the safety of South Korean fishermen, who had not ventured from port for fear of attack, since North Korean forces had occupied the mainland several weeks earlier.

NATIONAL NOTES

The federal-provincial constitutional conference opened in Quebec this week. The Prime Minister, Mr. St. Laurent, attended, as well as the 10 provincial Premiers.

Closer co-operation between Canada and the United States on atomic defence matters must be worked out in the near future, Canada's Civil Defence Co-ordinator, Maj. Gen. F.F. Worthington, was reported as saying in an address to some 500 city, state, territorial and national defence officials in Chicago, Ill.

The red-dominated United Electrical Workers' Union was expelled from the Canadian Congress of Labour on September 25 at the C.C.L.'s Annual Convention at Winnipeg.

Talks between Egypt and Canada are under way with a view to increasing Egyptian exports to Canada, a spokesman at the Egyptian Commerce Ministry in Cairo was quoted as saying.

Spokesmen for Saskatchewan and Alberta farm groups on September 25 asked the federal Government to help farmers through the current inflationary-price period by granting general farm price-support or instituting price controls on goods, services, rents, wages and profits.

Lt. Col. John Bayne Maclean, 87, founder of the Maclean-Hunter Publishing Company, Ltd., died in Toronto on September 25.

Premier Duplessis of Quebec announced on September 22 that his Government has approved plans by the Aluminum Company of Canada for expenditure of \$30,000,000 on initial development of 60,000 horsepower of hydro-electricity on the Peribonka River in Lake St. John district.

The A.V. Roe Company of Canada, in Malton, Ontario, will hire an additional 6,000 persons as part of an expansion programme aimed at keeping the plant up to date with defence requirements, Sir Roy Dobson, President, was quoted as saying on September 22.

(Continued from p. 1)

45 P.C. GAIN IN AUGUST EXPORTS TO U.S.

986,000, and New Zealand to \$708,000 from \$860,000.

Shipments to Latin American countries in August were valued at \$13,841,000 as against \$13,345,000 a year earlier, and in the eight months totalled \$85,275,000 as against \$83,644,000. Exports were higher in the month to Brazil, Cuba, Mexico, and Panama, but lower to Peru and Venezuela.

Shipments to European countries were moderately lower in August at \$16,427,000 as compared with \$17,818,000, and were down in the cumulative period to \$117,385,000 from \$154,282,000. August shipments were higher to Belgium and Luxembourg, Germany and Switzerland, but lower to France, Italy and Norway.

Exports to other foreign countries were down sharply in the month and eight months. The August value was off to \$4,905,000 from \$15,645,000, and the eight-month aggregate to \$57,396,000 from \$68,782,000. Shipments to China, Iran, Israel, Japan and Turkey were smaller, but there was a marked rise to the Philippine Islands.

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TIGHTEN CONTROL OF EXPORTS: Close co-operation between Canada and the United States in export supply policies will be implemented immediately by a new schedule of commodities for which export permits are required, the Minister of Trade and Commerce, Mr. Howe, announced on September 27. A total of 177 listings are included in the new schedules, as compared with the previous total of 91, and a peak of 1103 during the Second World War. Listings applicable to the United States are reduced from 91 to 69.

The new Canadian schedules are integrated with those of the U.S., and the effect will be to permit the two countries greater freedom in supplying each others requirements, and at the same time prevent Canada from being used as a "back door" to circumvent U.S. export controls. It will be possible to observe more closely the movement of commodities and spot any abnormalities which might be undesirable under present world conditions. Nevertheless, because of the substantial reduction in the measure of control for exports to the United States, where the bulk of them is now directed, the general effect on Canadian export procedure will not be nearly so great as the increase in listings might indicate, and should actually result in a net reduction of paper work for Canadian exporters, the Minister pointed out.

Major additions to the list for all countries include nylon; non-ferrous metals, such as aluminum, brass and bronze, copper, lead, nickel and zinc; and benzine, glycerine and soda ash. Six countries have been added to the system of "area control", including Afghanistan, the Ukraine, Mongolia, Tibet, Manchuria, and Sinkiang.

Rye and rye products are removed entirely from export control, while the granting of permits for wheat, oats, barley, and their products will be administered solely by the Wheat Board, in place of the dual control system administered jointly with the Department of Trade and Commerce.

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WAGE RATE INDEX UP 1 P.C.: The index of wage rates in Canadian industry advanced to an estimated 207.3 at April 1, 1950 (rates in 1939=100) according to a statement issued on September 26 by the Minister of Labour, Mr. Gregg. This figure represents a gain of just over one per cent during the six months interval following October 1, 1949, when the last complete annual survey was made.

The statement is based on the first semi-annual sample wage-rate survey conducted by the Economics and Research Branch of the Department of Labour in order to provide more current information on wage trends.

More than 800 representative establishments co-operated with the Department in making this survey possible. Of these 800 establishments, 70 per cent reported no change in established wage rates from October, 1949. Of those reporting some change, 70 per cent indicated increases up to 5 cents per hour; another 21 per cent reported changes from 6 to 10 cents per hour, while in the remaining 9 per cent changes of over 10 cents occurred.

These changes in wage rates are not affected by temporary fluctuations in actual hours worked nor by increases due to upgrading of an individual worker which do not affect the wage structure. Such changes, of course, would be reflected in an index of earnings.

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WHEAT STOCKS: Overseas export clearances of Canadian wheat, and deliveries from farms in the Prairie Provinces both moved to lower levels during the week ending September 14 as compared with last year's similar movements. Visible supplies were also down from a year earlier.

Export clearances during the week amounted to 3,326,618 bushels as compared with 3,397,138 in the same week last year, and the deliveries from Prairie farms totalled 20,915,650 bushels as compared with 28,182,569. Stocks in store or in transit on September 14 were 114,190,670 bushels as compared with 130,360,607.

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TO ATTEND IMPERIAL DEFENCE COLLEGE: Major-General N.E. (Elliott) Rodger, CBE, 42, Quartermaster-General of the Canadian Army, will attend the 1951 course at the Imperial Defence College in the United Kingdom, the Minister of National Defence, Mr. Claxton, announced on September 29. Gen. Rodger will sail for England in December of this year.

File



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

CANADIAN DOLLAR IS FREED: The Minister of Finance, Mr. Abbott, on September 30, issued a statement regarding the Canadian exchange rate. It read in part as follows:

"Last night I announced that the Foreign Exchange Control Board had instructed Canadian banks and other authorized agents to discontinue dealings in foreign exchange until further notice. Today the Government, by Order in Council under the authority of the Foreign Exchange Control Act, cancelled the official rates of exchange which, since September 19 of last year, had been calculated on the basis of a 10% premium for the United States dollar in Canada. It has been decided not to establish any new fixed parity for the Canadian dollar at this time, nor to prescribe any new official fixed rates of exchange. Instead, rates of exchange will be determined by conditions of supply and demand for foreign currencies in Canada.

"Banks and other authorized agents will deal in foreign exchange as principals, but they will continue to act as official agents of the Foreign Exchange Control Board for the issue of permits and in other matters relating to exchange control. The general structure of exchange control remains unchanged, including control over securities transactions between residents and non-residents and control over payments of Canadian dollars to non-residents.

"A resident receiving foreign exchange is still required to declare it to an authorized dealer. He must then either sell it immediately to an authorized dealer at the going rate of exchange, or, if he wishes, deposit it in a special foreign-currency bank account with his authorized dealer, in which case he may not make any other use of the foreign currency but may choose his time for selling it within a period of 90 days. A resident desiring to obtain foreign exchange must apply to his authorized dealer for a permit which, if granted, will allow him to buy the required foreign currency from an authorized dealer at the going rate of exchange.

"Merchants and other residents who are offered foreign currency by tourists are no longer required to pay any fixed rate of exchange, but may pay such rate as may be agreed on. No doubt such rate will be based on the rates currently being offered by banks for the purchases of foreign currency.

"A permit will still be required for the export of funds for travel abroad by Canadians, but it is planned to increase the amount which will be authorized for travel for any purpose so as to cover all reasonable travel expenditures. An announcement of the new regulations will be made within a few days when technical arrangements have been completed.

TO ADMIT GERMAN IMMIGRANTS: The Minister of Citizenship and Immigration, Mr. Harris, has announced that German nationals who heretofore, as enemy aliens, were inadmissible to Canada, are now admissible, subject to general regulations governing the entry of immigrants of other nationalities.

From 1939, under provisions of Orders in Council, the entry to or landing in Canada of enemy aliens was prohibited and, as a result, German nationals were not allowed to come to this country.

Regulations affecting German nationals were modified by Order in Council P.C. 1606 of March 28, 1950, which permitted the entry of otherwise admissible enemy aliens who could satisfy the Minister of Citizenship and Immigration that they were opposed to an enemy government; of immigrants of German nationality who were close relatives of legal residents of Canada; and of immigrants of German ethnic origin who were displaced persons or refugees and who were not German nationals on September 1, 1939.

APPLICABLE REGULATIONS

The Government of Canada has decided that, under present circumstances, it is appropriate to place immigration of German nationals on a peacetime basis.

By Order in Council P.C. 4364 dated September 14, 1950, all German nationals are now admissible to Canada as immigrants, provided they can comply with the provisions of the Immigration Act and Regulations. Under these Regulations they must satisfy the Minister of Citizenship and Immigration that:

- (a) they are suitable immigrants having regard to the climatic, social, educational, industrial, labour, or other conditions or requirements of Canada; and
- (b) they are not undesirable owing to their peculiar customs, habits, modes of life, methods of holding property, or because of their probable inability to become readily adapted and integrated into the life of a Canadian community and to assume the duties of Canadian citizenship within a reasonable time after their entry.

Mr. Harris stated that German immigrants who came to Canada in earlier years had become an important, industrious, and loyal element of the Canadian population.

STUDY RODENT-BORNE DISEASES: A thorough study of the danger from diseases spread by small animals and ticks is being carried out in Saskatchewan this year as part of the National Health Programme, the Minister of National Health and Welfare, Mr. Martin, announced on September 29.

It is well known, public health authorities state, that the rat population is spreading in Canada and has now reached the Saskatchewan-

Alberta border. Rats are known to be carriers of plague, pseudotuberculosis, rat bite fever, leptospirosis and other diseases. It is also known that ticks capable of transmitting tularemia and Rocky Mountain spotted fever to humans have infested small animals such as ground squirrels and that the infection in these animals is spreading north from the United States and eastward in Canada.

The western branch of the federal Laboratory of Hygiene at Kamloops, B.C. has been carrying out studies of tick-borne and insect-borne diseases for the past 10 years.

\$10,000,000 EXPANSION PROGRAMME: The Minister of Transport, Mr. Chevrier, announced on September 28 that negotiations had been completed for the sale of approximately 130 acres of Crown property located on the east bank of the Welland Ship Canal, near Thorold, Ontario, to McKinnon Industries Limited. "This will allow for the proposed \$10,000,000 industrial expansion programme in that vicinity being undertaken by McKinnon Industries," said the Minister. "Construction of a malleable iron foundry and power plant will be undertaken and I have been assured that grading and ground clearing operations would begin immediately."

Acquisition by McKinnon Industries of the 130-acre tract will allow for a long term development by the Company calculated to meet the anticipated expansion in the automobile field and will include equipment and tooling for the Buick programme which provides for the reinstated Canadian manufacture early in 1951 of the Buick automobile.

INVESTIGATE ST. JOHN RIVER SYSTEM: The Department of External Affairs announced on September 28 that the Governments of the United States and Canada have agreed to ask the International Joint Commission to conduct an investigation of the St. John River system above Grand Falls, New Brunswick, in order to determine whether the waters of that system may be more beneficially conserved and regulated.

Canada's chief interest in this investigation lies in the possibility of providing water storage on the upper reaches of the St. John River system which would permit the regulation of the flow of the lower river in the interests of hydroelectric power generation in the Province of New Brunswick.

DISTRICT CONTROLLER OF AIR SERVICES: Appointment of H.J. Williamson as District Controller of Air Services, Department of Transport, with headquarters at Moncton, N.B., is contained in a joint announcement by the Minister of Transport, Mr. Chevrier, and the Civil Service Commission. Mr. Williamson fills the vacancy caused through the transfer of S.S. Foley to a similar position in Toronto, which was announced in August.

W.F. BULL ASST. DEPUTY MINISTER: Mr. W. Frederick Bull becomes an Assistant Deputy Minister of the Department of Trade and Commerce, in charge of the Commodities and Control Division, as the result of several promotional appointments announced on September 28, by the Minister of Trade and Commerce, Mr. Howe, with the concurrence of the Civil Service Commission. Mr. Denis Harvey succeeds Mr. Bull as Director of the Commodities Branch. Mr. G.A. Newman is the new Director of the Export Division, and Mr. Charles F. McGinnis the Director of the Import Division.

During his twenty-one years with the Department Mr. Bull has served in New York, Trinidad, New Zealand, and Washington, D.C. In Ottawa he has served as Chief of the Export Permit Branch, Director of the Export Division, and Director of the Commodities Branch. A native of Weston, Ont., and a graduate in Commerce of the University of Toronto, practically his whole career has been devoted to the public service.

Mr. Harvey graduated from McGill with honours in Economics, and joined the Department following the last war on his retirement from the Canadian Navy in which he served with the rank of Commander. He organized and has headed the Department's Import Division.

Mr. Newman graduated from the University of Manitoba, joining the Trade Commissioner Service in 1929. He served in England, New York and the British West Indies before returning to Ottawa in 1945 as Assistant Director of the Trade Commissioner Service, and then Assistant Director of the Export Division, of which he has recently been the acting head.

Mr. McGinnis, a graduate of the University of Western Ontario, joined the Department as Assistant Director of the Import Division upon its formation in 1945. He had previously been engaged in private business as an import broker and consultant in Toronto.

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N.A.T.O. ARMY PERSONNEL ARRIVE: First army personnel from the North Atlantic Treaty Organization to take military training in Canada have now reached Canada and have been assigned to the Canadian Joint Air Training Centre at Rivers, Man., the Minister of National Defence, Mr. Claxton, announced on September 29. Air Force personnel taking training under the same scheme have been here for some weeks and are already well into their training with the RCAF.

Three officers from the Italian Army and one from the French Army made up the first group of army arrivals, Mr. Claxton said. They are Majors Giovanni Prat, Stanislao Labbate and Alfonso Mantia, of Italy, and Capt. Maurice Victor Guirau of France. Two more captains, one from each of the foregoing countries, are expected to arrive in Ottawa next week-end, and two sergeants from the Netherlands Army are due early the following week.

In addition to aircrew from the United Kingdom, there will be approximately 250 personnel from six European nations training here, including 50 student pilots, 50 student navigators, and up to 150 army officers and other ranks. Five nations definitely participating are France, Belgium, the Netherlands, Norway and Italy, and Portugal is expected to be the sixth.

Canada's offer to the nations signatory to the North Atlantic Treaty was announced by the Minister last March as a concrete means of aiding in the military programme of those nations.

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BRITISH WAR GRAVES FILM: Brig. Frank Higginson, CMG, Secretary of the Imperial War Graves Commission, is expected to arrive in Montreal aboard the Empress of Canada from the United Kingdom this week. Brig. Higginson will give illustrated lectures in Ottawa, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver.

A. Lewis Watson, Secretary-General Imperial War Graves Commission (Canada) announced on October 2 that Brig. Higginson would conduct his lectures in conjunction with a film entitled "War Graves of the British Commonwealth and Empire." The picture shows how cemeteries and memorials are maintained by the Commission.

The first lecture will be in Ottawa October 9, by invitation of the Minister of National Defence, Mr. Claxton. All other lectures will be staged in co-operation with the Canadian Legion, British Empire Service League.

The picture, covering both the Second World War and the Great War, 1914-18, includes shots of such famous memorials and cemeteries as the Menin Gate and Vimy Memorials; La Chaudiere Cemetery, Dieppe, Beny-sur-Mer and Moro River Canadian Cemeteries, Cassino and Amhem.

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RCAF SERVICE EXTENSION: A one-year extension of service has been offered the majority of Air Force officers due for release in October, 1951, under the RCAF's short-service commission programme, it was announced on September 29 by Air Force Headquarters. The accelerated expansion of the RCAF has made this move necessary.

Approximately 130 officers, all aircrew, were eligible for release on October 1, 1951, under the RCAF's plan to keep about 50 per cent of aircrew officers in the ranks of flying officer and flight lieutenant engaged on terms of five or six years. Purpose of this programme is to ensure that the average age of aircrew officers actively engaged in flying duties is maintained at a relatively youthful level. In addition, the officers going back into civilian life give the RCAF a youthful but highly-trained reserve available for immediate call-up during national emergency.

NEW GOVERNORS FOR FILM BOARD: The Minister of Resources and Development, Mr. Winters, announced on October 2 the appointment of a new nine-member governing body for the National Film Board. Five members are from outside the public service, four from within. A woman is included in the Board for the first time.

The non-governmental members, representing the main geographical regions of Canada, are: Dr. A.W. Trueman, of Fredericton, President of the University of New Brunswick; Gratien Gélinas, Montreal actor and playwright; Charles S. Band, Toronto industrialist; Mrs. A.L. Caldwell, of Saskatoon; James Stuart Keate, Victoria publisher.

Members from the public service are: A.D.P. Heeney, Under Secretary of State for External Affairs; Arthur MacNamara, Deputy Minister of Labour; Charles Stein, K.C., Under Secretary of State, and W. Arthur Irwin, Government Film Commissioner.

Dr. Trueman, head of the University of New Brunswick, was previously President of the University of Manitoba. He is a former member of the Board of Governors of the Canadian Broadcasting Corporation.

Gratien Gélinas is widely known by his stage name, Fridolin. As actor, playwright and producer he has become the best-known stage personality in French Canada.

Mr. Band is chairman of the Gutta Percha Rubber Company. He is a director of the Ontario Chamber of Commerce, a member of the National Council of Education, and a former president of the Art Gallery of Toronto.

Mrs. Caldwell, the sole woman member of the Board, is a vice-president of the National Council of Women. She is the only woman member of the Senate of the University of Saskatchewan, and serves on the advisory board of the Y. W. C. A.

Mr. Keate is the recently-appointed publisher of the Victoria Times and Colonist. He is one of Canada's best-known newspapermen, having worked with the Vancouver Daily Province and the Toronto Daily Star. Until this year, he was head of Time Magazine's Montreal bureau.

A.D.P. Heeney, Arthur MacNamara and Charles Stein are civil servants with distinguished records in public service.

The Government Film Commissioner, W. Arthur Irwin, will replace the Minister as Board Chairman. The latter will continue to be responsible for the operations of the Board.

Mr. Winters indicated that the new Board would probably hold its first meeting about the middle of October.

NEW YORK TRAVEL OFFICE: The Minister of Resources and Development, Mr. Winters, announced on October 2 the opening of a Canadian Government Travel Bureau office in New York City. Coupled with the announcement was the further statement from the Minister that Alan

Field, former secretary of the National Film Board, has been appointed by the Civil Service Commission as manager of the New York Branch of the Travel Bureau. Mr. Field was formerly private secretary to the Minister of National Health and Welfare, Mr. Marjolin. He has been secretary to the Film Board for the past four years.

Mr. Winters said that the office in New York would be located in Rockefeller Centre at 11 West 49th Street at Fifth Avenue. The New York office, said the Minister, will provide a new outlet for Canadian travel information in the New York area as well as in the mid-Atlantic States. He said that action was taken in this connection so that the lucrative New York travel market might be more efficiently serviced with Canadian travel information.

Already a number of foreign countries have travel offices in New York City and it was felt that if Canada is to meet the continuing competition from other resort areas a New York travel office was a logical step in the expansion of the Travel Bureau's activities. Establishment of a Canadian travel information office was recommended at the 1949 Federal-Provincial Conference held in Ottawa.

BUILDING MATERIAL COSTS RISE: Wholesale prices of both general and residential building materials moved upward again in August, according to the price indexes compiled by the Bureau of Statistics, but in each case the month's increases were somewhat less than in July.

The Bureau's index of general building materials rose 2.8 points to 227.0 from 224.2 for July. This compares with a July increase of 5.8 points from 218.4 for June. The index has moved upward without interruption since September last year when it was at the 1949 low point of 197.6, but most of the eleven-month increase of 29.4 points has occurred since last April when it stood at 206.1.

The composite index of residential building materials showed a smaller advance of 2.4 points from 245.2 for July to 247.6 for August. At the August level the index was 21.3 points above August, 1949, when it stood at 226.3. It has had an unbroken rise of 20.6 points from 227.0 for last March.

CANADIAN ARMY SPECIAL FORCE: Members of the Canadian Army Special Force will have at least 72 hours special leave to visit their families before embarkation in the event that the Force leaves Canada, Army Headquarters has announced. In addition, necessary travel time and full-paid travel warrants will be granted.

Most members of the Force now (September 29) are on their first leave since joining up, having been granted four days off at the conclusion of their basic training period. Next week they move on to advanced training.

EASTERN ARCTIC PATROL: Sailing in the Transport Department vessel "C.D. Howe", the Eastern Arctic Patrol have just completed a 10,000 mile expedition to the Canadian North.

This was the 28th expedition of the eastern Arctic Patrol, now a combined effort of six government departments pooling equipment and such northern services as administration, medical, postal, hydrographic survey and welfare aids. The officer in charge of the Patrol was Alex Stevenson, (Verdun, P.Q.) Arctic Division, Department of Resources and Development. He was assisted by G. Johnston (Ottawa) of the same Department.

Members of the expedition visited fifteen settlements. The Patrol handled a huge volume of mail, started the 1951 census rolling in the Arctic and sailed as far as Dundas Harbour, 2,500 miles north of Ottawa. The Patrol sailed from Montreal July 17 and returned to base September 25.

Many passengers were picked up or dropped along the way, among them the Right Reverend D.B. Marsh, Bishop of the Arctic, Oblate Missionaries, Hudson's Bay Company officials and Eskimos moving from camp to camp. At River Clyde fifteen members of the Arctic Institute Expedition were taken on board. This party had spent the spring and summer of this year on a Baffin Island glacier collecting scientific data.

The success of the Patrol this year was darkened by the loss of one of its members, the interpreter, S.G. Ford of St. John's, Newfoundland. Mr. Ford lost his life in the crash of a helicopter, part of the equipment aboard the "C.D. Howe".

When the Patrol visits a settlement in the Arctic, Eskimos congregate from miles around. At each port the doctor on the Patrol examined the Eskimos. A dentist was kept busy checking, extracting and filling teeth for Canada's northern citizens, whites and Eskimos. This year, with modern equipment, more than a thousand Eskimos were checked by X-ray. The general standard of health was good and there was a remarkable improvement in the children. This was felt to be the effect of nutritious foods given in payment of family allowances which are intended to supplement, not supplant, the regular Eskimos diet of flesh, fowl and fish.

Members of the Patrol, this season, organized plans for the task of taking the 1951 census in the Arctic.

Members of the party declared that the polar weather had been wonderful: "Sunny skies, light winds and calm seas were the order of the day". They were amazed to learn that southern Canada had experienced such a cold summer.

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EMPLOYMENT INCREASES: The Minister of Labour, Mr. Gregg, issued the following statement on the current employment situation on October 3:

The increasing tempo of manufacturing activity and peak farm labour needs for har-

vesting highlighted the employment scene during the first half of September. In some areas, shortages of farm workers increased, since cold weather had delayed some harvests until after students who normally work on farms had returned to school. In general, the strong demand for Canadian goods and services both at home and abroad and the maintenance of large investment expenditures are resulting in continued declines in the numbers of jobless workers.

On September 14, there were 140,300 registrations for employment on file at National Employment Service offices, a decline of 11,300 from the first of the month, and only 1,600 above the total a year ago. Registrations on hand from men alone were 12,000 below the total at the same time last year. The largest decline in registrations in the first two weeks of September occurred in the Prairie and Ontario regions; in the Maritime region, there was a slight increase.

Recent defence orders have created many new jobs in shipyards and aircraft factories in Ontario and Quebec, and experienced workers are much in demand. Many primary iron and steel plants and steel fabricating firms are also increasing their staffs. Numerous vacancies are on hand for skilled machinists, tool and die makers and moulders, and shortages of suitable applicants exist in some cases. Employment in sawmills and smelters was also at high levels, as a result of the continuing strong demand for lumber and base metals in the United States. The seasonal increase in production in some textile firms and canning factories meant some improvement in the employment situation for women, although the number of women registering for work at local employment offices was still 13,700 above that of last year.

Shortages of skilled construction workers continue in most areas, as the construction industry reaches its seasonal peak. The mining industries in Northern Ontario and Quebec were reporting some difficulty in securing an adequate supply of workers, and were depending on immigration to meet some of their needs. Shortages of labour continue also in the lumber and logging industries in most sections, although the end of the pulp peeling season in the Maritimes had temporarily reduced labour needs there.

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WAGES AT NEW PEAK FOR AUGUST 1: Industrial employment and per capita weekly wages and salaries for all Canada again moved upward at the beginning of August, according to advance figures issued by the Bureau of Statistics. Although the general gain throughout the country was moderate, it brought employment to a higher level than at August 1 in any other year, while per capita weekly wages also reached a record for that date.

The advance index number of employment on the base 1926 equals 100, stood at 204.1 as

compared with 202.3 at July 1, and 200.5 at August 1 last year. The previous peak figure for midsummer was 200.9 at August 1, 1948. There was an increase of 1.1 per cent in the advance index number of payrolls as compared with July 1, bringing it to 7.2 per cent above the level indicated a year ago! Per capita weekly wages and salaries among leading firms in the eight major industrial divisions moved up to \$45.26 from \$45.13 at July 1, and \$43.01 at August 1, 1949.

Greater activity was reported in manufacturing, transportation, construction and certain other non-manufacturing industries as compared with July 1. Trade was generally quiet, small seasonal declines in employment being recorded in most provinces.

Regionally, employment showed gains over July 1 in all provinces except New Brunswick, where a decline of 3.9 per cent was recorded. The increases in the other provinces ranged from 0.2 per cent in Ontario and 0.8 per cent in Manitoba to 2.9 per cent in British Columbia and 4.3 per cent in Prince Edward Island.

In manufacturing, the advance index number of employment rose from 208.0 at July 1 to 209.3 at the first of August, which compares with 206.4 at August 1, 1949. The index number of payrolls in these industries increased by 0.7 per cent from July 1, and exceeded by 7.7 per cent the level of August 1, 1949. The advance figure of per capita weekly earnings of wage-earners and salaried employees on the staffs of leading factories at August 1 was \$46.78 as compared with \$46.73 at July 1, and \$44.04 at the beginning of August last year.

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GRAIN MISSION FOR EUROPE: The Minister of Trade and Commerce, Mr. Howe, announced on September 29 that a three man grain mission would leave immediately to visit the United Kingdom and western European countries. The mission will call upon the grain trade, millers and government authorities with a view to facilitating the trade in Canadian wheat, grain and flour in that area. The mission is headed by Dr. C.F. Wilson, Director of the Wheat and Grain Division of the Department of Trade and Commerce. The other members are Mr. R.W. Milner, Commissioner of the Board of Grain Commissioners for Canada and Mr. J.B. Lawrie, Executive Assistant to the Canadian Wheat Board.

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INSTALMENT SALES ADVANCE: There was a further increase in the proportion of retail sales on the instalment basis during the second quarter this year, according to the quarterly survey of 16 major credit-dealing trades by the Bureau of Statistics. At the same time the ratio of cash sales was unchanged from the previous quarter, and charge sales fell off.

Continuing a steady upward movement from the second quarter last year, sales on the instalment basis rose to 9.3 per cent compared

with 9.2 per cent in the first quarter and 8.3 per cent in April-June, 1949. Cash sales accounted for 62.8 per cent of total sales in both the first and second quarters this year, and were down from 63.2 per cent in the second quarter last year. Charge sales were down to 27.9 per cent from 28 per cent in this year's first quarter and 28.5 per cent for the second quarter of 1949.

Instalment sales were up 18 per cent in volume during the April-June period this year over the same period of 1949, the index number, on the base 1941=100, rising to 180.9 from 153.5. The charge sales index for the combined 16 trades decreased from 203.8 to 202.8, and the cash sales index advanced from 216.7 to 218.0.

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AUTO SHIPMENTS CONTINUE GAINS: Factory shipments of Canadian-made motor vehicles during August were down sharply from June and July -- the peak months for this and recent years -- but were again higher than in the corresponding month of 1949, raising still further the record cumulative total for the year. Shipments of vehicles imported from the United States increased over July and a year earlier, while sales of British-made vehicles were close to the average of the previous seven months.

The month's shipments of Canadian-made vehicles totalled 24,272 units as compared with 40,131 in July and 20,475 in August last year. The gain of 18.5 per cent over last year raised the cumulative total for the eight months ending August to 256,168 units as compared with 185,973 in the similar period of 1949.

Shipments of vehicles imported from the United States amounted to 1,613 units as against 448 in August last year and for the eight months totalled 13,438 compared with 7,428 in the 1949 period. Sales of British-made vehicles in the month numbered 6,108 units, according to preliminary figures, and in the eight months totalled 49,070 units. Comparative figures on sales of British-made vehicles last year are not available.

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WHOLESALE PRICES AT NEW PEAK: Continuing an unbroken series of monthly advances since the first of the year, wholesale prices in Canada reached another new peak in August, according to index numbers compiled by the Bureau of Statistics. The August index, on the base 1926 equals 100, stood at 168.5 as compared with 166.9 in July, and 155.4 in August last year. At the beginning of this year the index stood at 157.1.

Among a group of selected commodities, there were advances in wholesale prices between July and August ranging from 14.3 per cent for sheepskins to 50 per cent for tallow. Wholesale prices for raw rubber advanced 31.5 per cent, calfskins 28.6 per cent, raw sugar

25.3 per cent, canned peas 25.0 per cent, automobile tires 20.7 per cent, pepper 15.3 per cent, and toilet soap 14.6 per cent. Declines ranged from 3.9 per cent for No. 1 Northern wheat to 19.5 per cent for potatoes.

Increases over July were recorded by six of the eight sub-group indexes, vegetable products, and iron products remaining unchanged. Largest advance in the month was shown for the textile group which rose from 165.6 to 172.7.

* * * *

(Continued from p. 1) **CANADIAN DOLLAR IS FREED**

"One result of the new system of establishing exchange rates is that the so-called unofficial rates for Canadian dollars in New York and other centres will now disappear. The rate will be basically the same in Canada and abroad, although certain local variations may be expected, particularly in transactions in bank notes, as a result of time differences, transportation costs, and special local conditions. Fluctuations in the basic rate will no doubt occur from time to time in accordance with changing conditions of supply and demand. After a short transitional period it is expected that reasonably stable conditions will develop in the exchange market.

"From what has been said, it will be seen that the change from a fixed rate of exchange to a market rate does not involve the abandonment of the foreign exchange control system. A few consequential amendments of the Foreign Exchange Control Regulations will be necessary but the number of these will be small. The objective is to maintain the structure of control in its familiar form as a defence against possible adverse conditions in the future. Actual restrictions will be few. Residents will still require a permit to export capital from Canada and such permits will not normally be granted except for necessary business operations and certain amounts exported by emigrants. Similarly, non-residents will still be required to obtain a permit in order to withdraw capital from Canada and such a permit will normally not be granted except in the case of sale of fixed assets in Canada or liquidation of capital investments made since 1939 and recorded with the Foreign Exchange Control Board. Non-residents will, of course, still be able freely to transfer Canadian currency, securities and other assets among themselves, so that, for example, a non-resident holding Canadian dollars may dispose of them to his bank in the United States in the same manner as heretofore."

The Minister's statement went on to review the background of the present action. In recent months there had been a growing tide of capital movements out of foreign currencies into Canadian dollars. This had been in part useful long-term investments based on a belief in the long run soundness of Canadian financial and economic conditions. In large part, however, particularly in the last few weeks, he

said, "it has been a speculative movement in the hope of fairly early action to restore the Canadian dollar to a parity with the United States dollar."

Mr. Abbott announced Canada's official reserves of gold and United States dollars to have been about \$1,789 million (preliminary) on September 30, a total increase over the past three months of approximately \$532 million, of which over \$285 million occurred during the month of September.

He added on that point:

"An influx of funds on this tremendous scale would, if it continued, be likely to exercise an inflationary influence in Canada at a time when government policy in all fields is directed to combatting inflationary developments. Moreover the accumulation of foreign exchange under such conditions would mean that Canada was in effect incurring a substantial increase in its gross foreign debt and annual service charges without any corresponding increase in its productive resources or ability to export."

The statement said in conclusion:

"The Government has also decided to announce at this time that all the remaining import prohibitions and quota restrictions under Schedules I and II of the Emergency Exchange Conservation Act will be removed effective January 2, 1951... My colleague, the Minister of Trade and Commerce, will be reviewing the operation of Schedule III of the Act (the capital goods section) with a view to ascertaining the appropriate degree and timing of relaxations in that field."

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CREDITORS OF I.G. FARBEN INDUSTRIES: The Department of External Affairs has learned that all creditors with outstanding claims against 170 former companies controlled by the I.G. Farben industries, which is presently in dissolution, are required to file their claims with the Tripartite I.G. Farben Control Office, 28, Mainzerlandstrasse, Frankfurt/Main, Germany, according to the instructions issued by the occupation authorities.

Creditors affected are those who have their legal residence, head office or principal place of business within Germany, before November 7, 1950; outside of Germany but within Europe, before December 7, 1950; outside of Europe, before February 7, 1951.

The claims should be filed in three copies, separately for each debtor company, and should contain the following statements: (a) full name and address of the creditor; (b) the creditor's present domicile and nationality and his domicile and nationality at the time when his claim came into existence; (c) name of the debtor company; (d) amount of the claim as at July 5, 1945; (e) brief description of the claim and its origin; (f) reference to records evidencing the claim, and to correspondence, if any, referring to such claim.

CANADA'S SPECIAL FORCE AVAILABLE IN EUROPE

MR. ST. LAURENT'S KINGSTON ADDRESS: The following is an excerpt from the address of the Prime Minister, Mr. St. Laurent, at the Royal Military College Club of Canada Annual Meeting at Kingston, Ont., on September 30:

"The creation of the Special Force means that from now on we will have a Canadian Force in being available to assist, without undue delay, in discharging a part of our obligations under the UN Charter and the North Atlantic Treaty. At the present time the Force is being trained for service in Korea, if that seems to be the right place to send it when it is trained and ready. But there are other areas in the world; for what has happened in Korea might be repeated, and it might be that our Special Force would be despatched to some entirely different place if circumstances warranted and Parliament approved.

DETERRENT FORCE

"Provided the Korean incident is successfully terminated before too long a time has elapsed, the Special Force would be available for service as part of a deterrent force in Europe, if its employment there would fit in effectively with the joint plans. Meanwhile, as you all know, the most important obstacle to the creation on the Continent of Europe of extensive ground forces is the shortage of equipment and of the capacity to produce equipment, weapons and supplies. I don't need to tell you either that, speaking generally, it takes longer to get into large-scale production than it does to train men to a fighting pitch. For the immediate future, therefore, so far as Europe is concerned, there is a most urgent need for military supplies to be put into the hands of the men who are already there.

"Now I must admit I have been rather surprised to see that this point has been misinterpreted in certain quarters and that it has been suggested that Canadians are going to be too busy producing munitions to do any of the fighting. It seems to me Canada's proud record of participation in two world wars is a simple and sufficient answer to any such suggestion. But at present there is no fighting going on in Europe, and what we are concerned about is trying to prevent another war starting over there, and that means putting up the best possible evidence of united ability and

readiness to resist and overcome any possible aggression.

"To help at once to meet the pressing need for armed forces on our side in Europe, the Government recommended to Parliament earlier this month that \$300,000,000 be appropriated to provide munitions and supplies for our partners in the North Atlantic Treaty, and Parliament overwhelmingly approved that recommendation.

"At the same time and in addition to producing and providing munitions and supplies, we are strengthening all our own forces as rapidly as possible. We are pressing on with recruitment for our own regular forces; we are raising their ceilings as we go along. We have in training here at R.M.C., in the Universities and elsewhere a large number of officers for the three services. We are speeding up planned rates of production in nearly every line of military equipment. We are proceeding with the putting into commission of ships in the Navy just as fast as men can be trained and the ships can be successively modernized, and we are also procuring a number of new ships. Our training facilities as well are being enlarged.

F86 FIGHTERS

"As you know, we are producing the F86 fighters and the 'Canuck', the only two seater jet propelled fighter of its kind in the world. To provide additional immediate combat strength we have bought a large number of fighter aircraft from the United States. In addition to our own men we are training here in Canada, in increasingly large numbers, aircrew and army officers from the United Kingdom and several countries in Western Europe....

"Despite the gloomy outlook in the world at the present time, I remain an optimist about the possibilities of a third world war. I may be wrong but I have always thought that we are likely to hasten the coming of such a catastrophe if in our own minds we regard it as inevitable. But we must face the facts, all the facts, and while trying to build for the future and make this earth a better place to live in for those who come after us, we cannot afford to be unprepared to deal successfully with those evil forces whose aim is to undermine, by every means, our free way of life...."

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SPECIAL FORCE ANTI-TANK GUN: Infantry units of the Canadian Army Special Force are to be equipped with the famed 17-pounder anti-tank gun, the Minister of National Defence, Mr. Claxton announced on October 4. The British-designed weapon will replace the present in-

fantry 6-pounder. This move will add more anti-tank "punch" to the three infantry battalions of the Force. It was recently announced by Mr. Claxton that units would also be equipped with the new United States 3.5 rocket launcher.

CANADA AT THE UN: The Secretary of State for External Affairs, Mr. Pearson, spoke on the Korean situation at the United Nations Assembly on September 27.

Mr. Pearson declared, according to the UN press report, that during its brief history, the United Nations had existed under a shadow of fear, that the problems arising out of one great war would resolve themselves in a new war. This danger had been brought closer by the warfare in Korea, where men were fighting and dying for the cause of the United Nations.

The Korean war, Mr. Pearson continued, was "but the continuation by armed and open aggression of the policies which communist imperialism has been pursuing by other means." Systematically and methodically, the forces of communist imperialism had been trying out that part of the theory of communism that the disruptions of a postwar period give to a communist minority its best chance to seize power by force. Only one country in which Soviet forces were actually present in the postwar period had been able to throw off the control of the Kremlin, and even that country now felt itself gravely menaced. It remained to be seen, added Mr. Pearson, whether continental China would be brought into the orbit of this "international conspiracy."

REPUBLIC OF KOREA INVADED

In Korea, conditions had seemed admirably suited for communist seizure of the whole country, but the attempt was more open and violent than usual, and it was met with collective United Nations resistance. Despite all propaganda camouflage, the fact that North Koreans invaded the Republic of Korea was clear.

"This was not a coup d'État engineered by a minority as in Czechoslovakia, nor a régime imposed by an occupying force as in Rumania," Mr. Pearson declared. "This was armed invasion."

Such a sudden assault on a peaceful nation had an "obvious meaning" for all peace-loving nations, and hence the speed and determination which many free democracies, Canada included, applied themselves to the task of jointly building up their defences against aggression.

Continuing, Mr. Pearson said that the effect of the North Korean aggression within the United Nations had been to give overwhelming support to the organization in its crisis; it also demonstrated that, with very few exceptions, the members were not able to make that support immediately effective.

"We have, I hope, learned the lesson of this experience," said Mr. Pearson. "We have also learned, however, that the United Nations can act in response to a challenge; that it is no longer remote from reality, a mere international talkshop."

Events were rapidly demonstrating in Korea that aggression did not pay, he said. It would soon be necessary for the United Nations to

show with equal vigour and resourcefulness that it could deal with postwar problems in Korea. As hostilities drew to a close there, and the Assembly took up its new responsibilities, certain specific principles should govern its decisions, and those principles should be embodied at once in an Assembly resolution.

GENERAL OBJECTIVE

First, the general objective of the United Nations should be to fulfil the purposes repeatedly stated at previous assemblies; a united, free Korea governed by the Korean people themselves without outside interference. "This should be achieved by United Nations action and not through decisions reached by certain of its members," Mr. Pearson added.

Second, the United Nations must assist the Korean people to establish peace and order throughout their territory as the firm foundation for democratic institutions and free self-government. This was the time for the aggressors to cease fire, to admit defeat. If they did, it might not be necessary for United Nations forces to advance far beyond their present positions.

"The United Nations, however," he said, "leave its forces free to do whatever is practicable to make certain that the communist aggressors of North Korea are not permitted to re-establish some new base in the peninsula from which they could sally forth again upon a peaceful people."

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NATIONAL NOTES

Lord Elgin, grandson of the man who governed Canada from 1847 to 1854, stayed at the Lord Elgin Hotel in Ottawa this week. He is here as a member of a commission studying revision of the BBC charter.

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Mr. Frederick J. Osborn, one of Britain's outstanding town planning experts, is visiting Canada under the auspices of the Community Planning Association of Canada, the Federal District Commission and the National Capital Planning Service, beginning Sunday, October 1.

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Carloadings on Canadian railways for the week ended September 23 reached the 90,000 mark for the first time this year. The week's total was 90,307 cars, showing an increase of 4,314 cars over the same week last year.

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Mr. G. Herbert Lash, who was Director of Public Information at Ottawa during the war years 1940 to 1942, is to succeed Walter S. Thompson as Director of Public Relations for the Canadian National Railways.

DESTROYERS IN COASTAL ASSAULT. At Japanese Naval Base, October 3 -- The Canadian destroyers Cayuga, Sioux and Athabaskan have returned to port after taking part in operations in support of the United Nations amphibious assault on Inchon, on the west coast of Korea.

The ships had been at sea for more than two weeks, ever since the eve of the Inchon invasion. Their job was one familiar to the Royal Canadian Navy. They were assigned, with other ships, to guarding the supply line to the beachhead, escorting ships carrying vital fuel and ammunition to the United Nations forces.

The Canadian ships and units of the South Korean Navy formed a task force placed under the command of Captain Jeffry Brock, D.S.C., R.C.N., commanding officer of H.M.C.S. Cayuga and senior officer of the Canadian Destroyer Division. They patrolled the southern flank of the invasion area and kept a close watch on enemy activity between Inchon and Kunsan. The destroyers were also prepared to act as an anti-submarine hunter-killer force if required.

POSSIBILITY OF AIR ATTACKS

Throughout the whole operation there was a distinct possibility of enemy air attack on the oilers and ammunition ships under the Canadians' charge, and for this reason information regarding ship movements was closely guarded. However, the expected air attacks did not materialize.

The Canadian ships' crews got into a good share of action along the Korean coast. During a patrol on 2-plus 2 days, H.M.C.S. Sioux (Commander P.D. Taylor, R.C.N.) found three floating mines and exploded them with gunfire. These were the first mines encountered by the Canadian ships since their arrival.

Later, H.M.C.S. Athabaskan (Commander R.P. Welland, D.S.C., R.C.N.) located a minefield in the approaches to Kunsan and detonated five of the mines. On September 23 the Cayuga and Athabaskan teamed up to bombard shore installations on an enemy-held island north of Kunsan, inflicting heavy damage.

The next day the Athabaskan selected gun emplacements and troop concentrations in the approaches to Taechon harbor as her targets, scattering the defenders, knocking out the gun positions and leaving warehouses in flames.

The Canadians frequently helped liberated Korean villagers to get back to their homes, provided them with food supplies and guaranteed them sanctuary for fishing.

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SPECIAL SERVICE SQUADRON IN SWEDEN: HMCS Magnificent, at Gothenburg, Sweden, October 4 -- The Canadian Special Service Squadron and its 1,600 goodwill ambassadors made history on October 3, the arrival here of H.M.C. ships Magnificent, Huron and Micmac marking the first visit the Royal Canadian Navy has ever made to Sweden.

The Magnificent and her two escorting destroyers left Oslo, Norway, on October 2, with

full departure ceremonies being observed by both Canadians and Norwegians. Crowds lined the docksides to wave farewell and it was apparent that the week-long visit had made a host of new friends for Canadian sailors and for Canada. In the crowd that watched the ships depart were E.J. Garland, Canadian Minister to Norway, and his Legation staff.

During the week, Canadian sailors led by Rear-Admiral E.R. Mainguy, OBE., and Commodore K.F. Adams, responded to an appeal from Red Cross headquarters in Oslo to replenish blood banks.

WREATH-LAYING CEREMONIES

The round of official functions and formalities included two wreath-laying ceremonies. The first was on the scene of the slaying of Norwegian patriots by German military police during the Second World War. Here Admiral Mainguy placed a wreath on behalf of the Special Service Squadron.

In an Oslo cemetery, commemorating British war dead, Commodore Adams placed a second wreath in remembrance of seven Canadian flyers buried here. The squadron also had a part in marking the close of the Norwegian capital's 900th anniversary celebration.

In one of Oslo's finest hotels, at a formal state dinner for Admiral Mainguy and 15 of his officers, the Norwegian Minister of Communications, Mr. N. Langhelle, the host, paid tribute to the Canadian naval effort in the Second World War and tendered his Government's welcome to the Canadian Special Service Squadron.

On Friday, September 29, Admiral Mainguy was received in audience by King Haakon of Norway.

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EXCHANGE RESTRICTIONS RELAXED: The Minister of Finance, Mr. Abbott, announced on October 4 that, as forecast in his statement on Saturday, September 30, Canadian residents will, in future, be able to obtain permits to spend any reasonable amounts of U.S. dollars for all types of bona fide travel expenditures in the United States. The limitation on pleasure travel expenditures to \$150 in a twelve-month period, which has been the rule since November, 1947, will no longer apply.

A Form H travel permit must still be obtained and surrendered to Customs at the time of leaving Canada if a traveller is taking out of Canada more than \$50 in U.S. funds or more than a total of \$100 in both U.S. and Canadian funds. Banks and other agents of the Foreign Exchange Control Board will, however, be authorized to approve Form H permits for amounts up to \$500 per trip for business travel and up to a total of \$500 during the calendar year for travel for other purposes. Applications for larger amounts may be referred to the Board and will normally be approved for genuine travel expenditures in any reasonable amounts, having regard to the duration of the proposed journeys.

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WEEK'S EVENTS IN REVIEW

SPECIAL FORCE AVAILABLE FOR EUROPE. The Prime Minister, Mr. St. Laurent, spoke in part, as follows at the Canadian Industrial Preparedness Association Annual Meeting in Montreal on October 6 on the ultimate disposition of the Canadian Special Force:

"The aggression in Korea was the immediate occasion for the creation of the Canadian Army Special Force, but from the first move to establish that force it has been made clear that it was being created to be available to assist without undue delay in discharging Canadian obligations under the United Nations Charter and the North Atlantic Treaty. As I said at the Royal Military College in Kingston last week, the force is now being trained for service in Korea and it will be sent to Korea if that still seems to be the right place, to send it when it is ready for service.

"But it may be that circumstances will make it expedient to employ this special force in some other area and, if circumstances make such a course seem advisable in the interest of increasing the common security of ourselves and of our allies, the Government will not hesitate to recommend to Parliament that this force be employed elsewhere. I also indicated last week -- and this was implicit in our plans from the beginning -- that the Special Force, if it were not needed in Korea, would

be available for service with forces of our North Atlantic partners wherever it might best fit into any overall planning; that might well mean its employment in Europe if that is what best fits into the joint plans when those joint plans have taken definite shape.

"I am sure we all recognize that the armed forces of Canada must be appropriately represented in the integrated force which is to be established by the North Atlantic Alliance. But it is of the utmost importance to be realistic about these matters. Any military force which we can send to Europe when there is no war going on in Europe will, of necessity, be a very small part of the combined strength in being of the North Atlantic powers if that strength is to be substantial enough to make potential aggressors think twice before they start anything.

"But I certainly do not need to tell an audience as familiar as you are with the requirements in weapons and supplies of modern armed forces how large the requirements are in Europe, at the present time, for fighting equipment for the men who live over there. The free nations of the Western World are greatly outnumbered in properly equipped manpower by the nations now behind the iron curtain. The most effective way to match this tremendous pool of potentially hostile armed manpower is

CRUDE OIL PIPE LINE: The following are excerpts from the address of the Minister of Trade and Commerce, Mr. Howe, at the inauguration by Interprovincial Pipe Line Co. of the movement of crude oil from Edmonton, Alberta, eastward to Regina, Saskatchewan, on October 4:

"The turning of the valve that will send Alberta oil to Regina, 450 miles from here, is a Canadian event of the first order, but this is only part of the story. Before many months go by, this pipe line will have been extended to the nearest tip of Lake Superior, a distance of nearly 1200 miles. After that, Alberta, rather than the United States, will be the major source of supply for petroleum products consumed in the Province of Ontario....

"This pipe line, which makes Canadian crude oil available to important sections of our country, is more than an enterprising business venture. It is an essential factor in our preparedness programme for the defence of Canada. As a Canadian business venture, it will stop a drain on our economy of at least 150 million United States dollars a year that we are now spending for foreign crude. In time of war, it will diminish our problem of obtaining imports of petroleum, when petroleum is usually almost impossible to obtain....

"I often wonder how many Canadians have an appreciation of the present rate of growth of our Canadian economy. Those attending this ceremony will have an appreciation of one gigantic project now nearing completion. Others will understand the impact of the great iron and titanium projects now being developed in northern Quebec. Others are aware of the development of iron ore in Ontario. Those visiting the West Coast will know about the new pulp mills and other spectacular developments in that area. I wish that every Canadian citizen could have my opportunities of travelling about Canada, and thus becoming familiar with the great developments now under way. This is no country for pessimists. Those of us privileged to live in this great land are the most fortunate people on earth."

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ARMY SENIOR APPOINTMENTS: Five new appointments for senior officers of the Canadian Army, two including promotion to the rank of colonel, were announced on October 4 by the Minister of National Defence, Mr. Claxton.

Col. Roger Rowley, DSO, ED, 36, of Ottawa, present Director of Military Operations and Plans, becomes Director of Infantry at Army HQ. He replaces Col. J.G.G. Charlebois, recently appointed military attaché to France.

Lt.-Col. Cliff H. Cook, ED, 38, also of Ottawa, is promoted to the rank of colonel and appointed Director of Military Operations and Plans.

Col. Ernest Charles Brown, OBE, ED, 44, officer in charge of administration at HQ Western Command, Edmonton, becomes commandant of the Northwest Highway System in December, with headquarters in Whitehorse, Y.T. He suc-

ceeds Brig. A.B. Connelly whose appointment to command Saskatchewan Area was announced last month.

Col. Ross MacAulay Bishop, OBE, ED, 38, of Ottawa, Director of Staff Duties at Army HQ, succeeds Col. Brown in Edmonton as officer in charge of administration.

Lt.-Col. George C. Leech, OBE, 39, formerly of Winnipeg, is promoted to the rank of colonel and becomes Director of Staff Duties early in October, succeeding Col. Bishop.

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U. OF T. TOOTH DECAY STUDIES: A statistical study of the incidence of tooth decay among children is being carried out by the Faculty of Dentistry of the University of Toronto as part of a national programme of research into public health problems the Minister of National Health and Welfare, Mr. Martin, has announced.

Until recently, he noted, few attempts have been made to analyze dental data statistically, and most of what has been done was limited to the averaging of mass surveys, with no attempt to qualify the accuracy of the conclusions by estimating the standard errors in sampling. Studies in Canada, the United States and Norway have shown that the amount of dental decay varies according to age and to the tooth surface involved. These investigations have produced at least two methods of estimating the incidence of tooth decay among large numbers of persons.

The present study is being carried out by Dr. R.M. Grainger under the supervision of Dr. G.T. Mitton, Associate Professor of Dental Public Health.

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ARMY APPOINTMENTS: Col. John B. Allan, 36, of Saint John, N.B., commandant of the Canadian Army base at Fort Churchill, has now been appointed officer in charge of administration at Prairie Command Headquarters, Winnipeg.

The Minister of National Defence, Mr. Claxton, announced at the same time the appointment of Lt.-Col. Donald Frederick (Don) Forbes, DSO and Bar, 43, of Sydney and Halifax, N.S., as commandant at Churchill, and his promotion to the rank of colonel.

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SOUTH AND SOUTH-EAST ASIA REPORT: The Commonwealth Consultative Committee on South and South-East Asia completed its work on October 4 and adjourned. Its draft report was adopted unanimously and will now be considered by the individual Commonwealth Governments concerned. If the report is approved by Governments it will be published.

The Committee assembled on Monday, September 25, under the chairmanship of the Right Honourable Hugh Gaitskelli, C.B.E., M.P., Minister of State for Economic Affairs. The Minister of Fisheries, Mr. Mayhew, was the leader of the Canadian Delegation.

1948 RECORD FOREST PRODUCTION: Canada's total forest production in 1948 was the highest ever recorded. Final estimates by the Bureau of Statistics show a cut of 3,198,179,000 cubic feet of merchantable timber valued at \$586,295,000 as compared with 3,091,086,000 cubic feet at \$519,804,000 in 1947 -- the previous peak year. Preliminary figures for 1949 indicate a decrease in volume to 3,160,469,000 cubic feet, the Bureau of Statistics has reported.

Of the estimated 1948 total, 1,250,416,000 cubic feet of merchantable timber or 39 per cent was taken out of the woods in the form of logs and bolts, chiefly for the production of lumber, 1,062,324,000 cubic feet or 33 per cent as pulpwood, and 762,361,000 cubic feet or 24 per cent as fuelwood.

Pulpwood was the most important forest product from the value standpoint with a total of \$284,656,819 in 1948, up from \$237,488,741 in the preceding year. Logs and bolts came second at \$215,108,932 compared with \$205,259,855, and fuelwood third at \$49,535,855 against \$46,206,336. Poles and piling, round mining timber, posts and hewn railway ties were next in order.

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WORLD WHEAT CROP ESTIMATE: Prospects for the world wheat crop in 1950 indicate that production may be around 6.4 billion bushels, some two per cent above the 1949 harvest and six per cent greater than the 1935-39 average, states the Bureau of Statistics in the September issue of its wheat review. The anticipated world crop of rye of 1,670 million bushels is about three per cent less than the 1949 output and four per cent below the 1935-39 average.

Estimated production of wheat in North America is placed at 1,523 million bushels as compared with 1,531 million in 1949, Europe 1,550 million against 1,505 million, Soviet Union 1,110 million against 1,100 million, and Asia 1,600 million against 1,475 million. Output in Africa is estimated at 150 million (158 million in 1949), South America 290 million (279 million), and Oceania 180 million (222 million).

The North American rye crop is estimated this year at 37 million bushels compared with 29 million, Europe 690 million against 710 million, Soviet Union 910 million against 950 million, Asia 22 million (13 million), Africa one million (one million), and South America 11 million (10 million).

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RCAF ADVANCED TRAINING: Twenty-three senior RCAF officers along with representatives of the Canadian Army, the RCN, Royal Air Force and the United States Air Force are hard at work these days waging a battle of books and lectures of the RCAF's Staff College in suburban North Toronto.

The course, lasting for ten months, was founded during the war to give advanced training to senior officers in tactics and strategy and to fit them for higher staff appointments. It also gives them a broad perspective of national and international problems and the technical fields related to wartime mobilization.

During the course the officers are taken on a ten-day Arctic tour to acquaint them with problems of northern life and operations. Exchange visits are arranged with Naval units at Halifax, and two weeks are spent at the USAF's Air University at Maxwell Field in Alabama. These visits prove of great value in both inter-service and international liaison and are a highlight of the course.

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UNIVERSITIES ENROLMENTS DOWN: Enrolments in Canadian universities for 1950-1951 have shown a downward trend, according to an announcement by the Minister of Labour, Mr. Gregg.

The Minister made this announcement in reviewing a quarterly bulletin of the Technical Personnel Division of the Department of Labour. The bulletin showed that enrolment in the class of 1950-51 was more than 2,000 lower than the number who graduated in 1950. The Minister pointed out that this was expected with the graduation of the majority of war veteran students.

For the past few years university classes had been swollen for beyond normal capacity by the many thousands of war veterans who sought higher learning after their discharge from the armed services, explained Mr. Gregg.

"Now" he continued, "The majority of these young ex-servicemen and women had completed their training and the enrolment was tapering off to more normal levels."

The Bulletin showed that the annual number of all graduates with bachelor degrees or the equivalent, had risen from below 4,000 in 1920 to above 18,000 in 1950. The sharpest rise was in the postwar years 1945-1950. It was anticipated that the downward trend would continue to about 11,000 in 1956 when a slight upward trend, the normal long term trend, might be expected.

The annual number of engineering graduates had risen from about 400 in 1921 to approximately 3,600 in 1950. It was estimated that this figure would decline to about 1,100 in 1955, then a gradual increase might be expected to reach about 1,200 in 1960, the Minister stated.

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UNEMPLOYMENT INSURANCE CLAIMS: Claims for unemployment insurance benefits filed in local offices of the Unemployment Insurance Commission in August totalled 61,545, showing an increase of 40 per cent over the July figure of 43,929, and a rise of about 22 per cent

over the 50,291 claims filed in August, 1949. The more-than-seasonal increase over July was likely due to lay-offs of non-striking workers in industries which experienced a curtailment of operations due to the nation-wide railway strike in the latter part of August.

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NAVAL CHIEF VISITS SEOUL AREA: Vice-Admiral H.T.W. Grant, C.B.E., D.S.O., R.C.N., Canada's Chief of the Naval Staff, visited the Inchon-Seoul area on October 9 after arriving at Inchon in the Canadian destroyer H.M.C.S. Cayuga.

Admiral Grant paid official calls on United Nations military and naval commanders in the area and, during a visit to Seoul, called informally on Syngman Rhee, President of the Korean Republic.

Admiral Grant, who is on an inspection visit to the Canadian naval forces in the Korean theatre, was accompanied by Captain Jeffrey Brock, D.S.C., R.C.N., commander of the Canadian Destroyer Division operating with the United Nations forces, and by his secretary, Cdr. (S) F.D. Elcock, R.C.N.

VISIT WITH PRESIDENT RHEE

Following the calls and the visit with President Rhee, the party drove through parts of Seoul on a brief inspection of the city.

Admiral Grant sailed in the Cayuga from a south Japan naval base to Inchon on an operational trip.

The other Canadian destroyers, Sioux and Athabaskan, accompanied the Cayuga, and on Sunday the three ships took time out from the tasks of one war to remember another.

As the three ships steamed through the waters of the Yellow Sea, their crews gathered to observe Battle of the Atlantic Sunday and pay homage to those who served and gave their lives in that earlier conflict.

On board the Cayuga, a brief and moving non-demonstrational service was held on the sunlit quarterdeck. Taking part were men who served on the North Atlantic during the Second World War and well remembered the grim, relentless battle with the U-boats. Alongside them were others, still in or barely past their 'teens, who were knowing war for the first time.

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COST OF LIVING RISES: With the exception of Edmonton, regional city cost-of-living indexes moved higher in August. For Edmonton, sharp seasonal declines in fresh vegetables, notably potatoes, were sufficient to balance higher quotations for meats, coffee, sugar and butter. At other centres, foods advanced as did other main groups. Rents, which were surveyed in August, were higher for six of the eight cities -- Saint John and Saskatoon remaining unchanged. An increase in automobile tires was principally responsible for narrow gains in the miscellaneous items indexes.

TRADE PACT WITH VENEZUELA: The Minister of Trade and Commerce, Mr. Howe, announced on October 11 that a commercial modus vivendi between Canada and Venezuela was signed on that date at Caracas by the Canadian delegation at present visiting a number of Latin American countries.

This agreement, to be valid for one year from date of signature unless terminated on three months' notice, provides for the exchange of most-favoured-nation treatment between the two countries in all matters concerning customs duties or charges, as well as in all matters relating to the concession of foreign exchange for commercial transactions and to the assignment of import and exchange quotas. This agreement may be renewed from year to year.

As in the previous agreement, which lapsed in 1949, Canada undertakes to accord to Venezuela most-favoured-nation treatment and will be entitled to receive most-favoured-nation treatment from Venezuela. As a result of this agreement, Canadian goods will on importation into Venezuela be subject to the same customs duties and other charges which are levied on goods from other countries, such as the United Kingdom and the United States.

TARIFF REDUCTIONS

Any tariff reductions, which either Canada or Venezuela may grant in the future to a third country, will automatically be extended to the other. For example, although Venezuela is not a party to the General Agreement on Tariffs and Trade, any tariff reductions that Canada may grant as a result of the G.A.T.T. negotiations now in progress in Torquay, will apply equally to Venezuela.

Mr. Howe pointed out that among the Canadian goods that will now benefit from reduced rates of duty are the following: canned salmon; canned fruits and vegetables; cigarettes; hosiery of pure silk or mixtures; Douglas fir timber and lumber; lanterns, both wick and pressure. Other goods, which were subject to general tariff duties that were no higher than the most-favoured-nation rates, will benefit by the guarantee that no duties may now be levied on them in excess of the most-favoured-nation rates.

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WHEAT STOCKS: There was a heavy movement of wheat from farms in the Prairie Provinces during the week ending September 28, and overseas export clearances were moderately higher. Visible supplies were lower than at the same time last year.

Deliveries of wheat from western farms during the week amounted to 36,817,488 bushels as compared with 19,678,814 in the corresponding week last year. Overseas export clearances totalled 4,130,014 bushels as against 3,910,995, and the visible supplies on September 28 amounted to 158,408,084 bushels against 162,961,023.

NIAGARA TREATY RATIFIED: The Prime Minister, Mr. St. Laurent, made the following statement on October 10:

"The Treaty regarding Uses of the Waters of the Niagara River, which was signed in Washington on February 27, 1950, came into force at 3:00 p.m. today when the formal instruments of ratification were exchanged in Ottawa by the Prime Minister of Canada, the Right Honourable Louis S. St-Laurent, and the United States Ambassador, the Honourable Stanley Woodward.

"The Treaty contains provisions designed to protect and enhance the scenic beauty of the Falls by the construction of remedial works and provides for the more efficient use of the waters of this river thereby increasing the potential hydro-electric power available at Niagara Falls for use in both countries. It was approved by the Canadian Parliament on June 19, and by the Senate of the United States on August 9, 1950, with a reservation concerning construction of the works in the United States, which was accepted by the Canadian Government."

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NATIONAL NOTES

Mr. M.J. Coldwell, C.C.F. Leader and member of the Canadian Delegation to the UN, was reported in Ottawa as saying that Delegates to the current United Nations meetings in New York agree there is a better feeling in the General Assembly than at any time since 1946.

"I think this is due to the fact that more than 50 of the 60 nations who are members of the world organization have shown a determination to prevent further aggression and to endeavor to so arrange the powers of the Assembly and of the Security Council that peace may be preserved," he said.

It was reported from Paris on October 10 that Canada and France had completed two days of talks designed to increase trade between them. The official communiqué did not say whether any progress had been made.

George Hainsowrth, former ace goal-tender in the National Hockey League, was killed in an automobile collision near Gravenhurst, Ontario, on October 11.

BUSINESS

New motor vehicle sales in August continued well above the 1949 level, but showed the usual seasonal decline from July. Increases over a year earlier in number of new motor vehicle sales financed remained higher than increases in sales, while financing of new vehicles continued to advance at a higher rate than used car financing. There were 32,371 new vehicles sold in August with a retail value of \$67,126,539 as compared with 18,561 units retailed for \$37,085,728 in August last year.

Department store sales increased seven per cent during the week ending September 30 as compared with the corresponding week last year, according to preliminary figures.

Production of 10 of 16 of Canada's leading minerals was higher in July than in the same month last year, while in the first seven months of this year, output advanced in all but two of the 16 items.

Production of wheat flour in Canadian mills in August amounted to 1,713,860 barrels, showing an increase of 34 per cent over the July total of 1,278,865 barrels, but was practically unchanged from the August, 1949 output of 1,713,571 barrels.

The volume of revenue freight loaded on Canadian railways continued to increase in the week ended September 30, reaching a record for the week of 90,976 cars against 90,307 in the preceding week and 89,614 cars in the same week last year.

\$10,000,000 U.S. ORDER FOR GUNS: An order for 3-inch/50 calibre naval guns, valued at approximately \$10,000,000 has been placed with Sorel Industries Limited, Sorel, Que. by the Canadian Commercial Corporation on behalf of the United States Navy, the Minister of Trade and Commerce, Mr. Howe, announced on October 11. This order will be in addition to a contract, valued at approximately \$2,100,000, placed on behalf of the Royal Canadian Navy earlier this year.

"This is concrete evidence that the policy of reciprocal procurement of military equipment adopted by the Governments of Canada and the United States is operating. Under this agreement specialized industrial capacity will be utilized to meet the requirements of both countries", Mr. Howe said.

(Continued from p. 1)

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.

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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON UNITED ACTION FOR PEACE:
The following is the partial text of the statement given by the Secretary of State for External Affairs, Mr. Pearson, Chairman of the Canadian Delegation, in Committee I of the General Assembly of the United Nations on the question of the resolution, "United Action for Peace", October 11:

"Yesterday the leader of the Soviet Union Delegation in his usual vigorous, and indeed entertaining fashion, gave the views of his Delegation on some general questions arising out of the draft resolution under discussion. During that statement he wandered rather far afield - and I, of course, have no complaint on that score.

"Among other things, he told us that it was time to stop repeating the nonsense that there could possibly be anything for other countries to fear from Soviet policy. Mr. Vishinsky once again implored us to rely on the pacific answers of the leader of his Government given to the questions of a United States journalist some years ago, answers which were meant of course, for external consumption and which have been subsequently contradicted by other words and, more significantly, by actions of the Soviet Union Government.

"In the last analysis, of course, policy and action are the only valid proofs of pacific intention, and we shall wait with eagerness for that kind of proof. Verbal arguments, one

way or another, on such matters in debates of this kind seem to me to be a waste of time.

"Mr. Vishinsky then went on to give us his favourite lecture on the importance of the principle of unanimity among the permanent members of the Security Council, and the iniquity of those who would destroy that principle. But what is the virtue of unanimity when it can be achieved only by agreement to do nothing? It is easy to be unanimous on the basis of zero. The fact is of course, that what is at issue here is not the principle of unanimity or the veto but the abuse of that principle, the abuse of the veto which has frustrated the work of the Security Council, and also the impossibility of securing unanimity on the basis of constructive co-operation and compromise.

"The leader of the Soviet Union Delegation also explained yesterday and at some length that the veto was the only weapon which his Government had in its possession to protect itself from the wrong action of the majority of the Security Council from, as he called it, the 'method of dictat', exercised by the members of what he termed the 'Anglo-American camp'.

"A plea for the protection of minority rights must of course always command sympathy, especially from a Canadian, more sympathy in fact than Mr. Vishinsky himself displayed for the minority when he was a chairman of a con-

SECURITY TRANSACTIONS: Security transactions between Canada and other countries in July resulted in a sales balance of \$10,200,000, the highest monthly sales balance since June, 1946. This net inflow of capital was greater than in the first six months of this year or in the whole of 1949. Transactions in 1947 and 1948 produced net outflows of capital.

This inflow in July chiefly took the form of increased sales of Canadian bonds to United States investors and larger liquidations of Canadian holdings of United States securities. At the same time, repurchases of Canadian securities from the United Kingdom were less than in earlier months.

JULY TRANSACTIONS

As a consequence of July transactions, cumulative net sales to all countries at the end of seven months were increased to \$19,400,000, with net sales of \$30,500,000 to the United States. This situation stands in contrast to that which prevailed at the end of the corresponding period last year, when cumulative sales and purchases were almost evenly divided in a lower volume of trading.

Net sales to the United States increased in July to \$10,600,000, of which more than half was made up of net sales of Canadian securities and slightly less than half of United States securities. Total sales to the United States at \$26,800,000 were higher than in previous months this year except March and June. Purchases dropped sharply to \$16,200,000 from \$27,100,000 in June, with notable declines in purchases of Canadian bonds and United States stocks. In these two groups of securities there were the largest expansions in sales and the resulting sales balances were the principal form of capital inflow in July. There was also a small sales balance of Canadian stocks in the United States in contrast to a purchase balance in the previous month.

In security transactions with the United Kingdom there was an increase in sales but a sharp decrease in purchases, the purchase balance dropping from \$3,700,000 in the previous month to \$800,000, the lowest level since August, 1949. Sales to other countries amounted to \$800,000, and purchases to \$400,000, which gave rise to a sales balance of \$400,000.

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FIRST MUSTANG FIGHTERS: The RCAF is to take delivery within the next few days of the first five of the 100 Mustang fighters purchased in the United States, it was announced on October 12 by Air Force Headquarters. Purchase of the piston-driven fighters was announced recently. Air force officials said the aircraft were being obtained as an interim measure pending availability of jet fighters being built in Canada.

The five Mustangs will be picked up at Burbank, California, where they have been undergoing complete overhauls, and will be

flown by RCAF ferry pilots to Rivers, Man., via Great Falls, Mont. An RCAF Dakota carrying the ferry pilots left Trenton, Ont. this week and the aircraft are expected to arrive at Rivers within the next few days.

The initial group of aircraft will equip a Mustang conversion unit being formed at the Joint Air Training Centre at Rivers. Purpose of the unit is to familiarize RCAF pilots on the aircraft, which has had limited use by the air force since the war's end. Later deliveries of Mustangs will be used to form a new fighter squadron of the Regular RCAF at Uplands airport, Ottawa, and will also go to various Auxiliary Squadrons.

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REFINED PETROLEUM DOWN: Canadian output of refined petroleum products in May was down slightly from a year earlier, while the total for the five months ending May advanced 13 per cent. Receipts of crude oil in the month were four per cent higher, and in the cumulative period were up 5.5 per cent.

The month's output amounted to 8,531,772 barrels as compared with 8,608,558 in May last year, and for the first five months the aggregate was 36,483,683 barrels as against 32,323,393 in the like period of 1949. Receipts of crude oil in May amounted to 9,805,309 barrels and in the cumulative period totalled 38,264,874 barrels as compared with 9,426,573 and 36,176,331 for the respective periods last year.

Of the crude petroleum received during May this year 1,867,823 barrels came from Canadian sources and 7,928,486 barrels were imported.

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WEEKLY WAGES AT NEW PEAK: Average weekly wages paid by leading Canadian manufacturers to hourly-rated wage-earners at August 1 advanced to a new peak figure of \$44.29 from \$44.16 at July 1 and \$41.40 on August 1 last year. Hourly earnings rose to 104.2 cents from 103.9 cents at July 1, and 98.8 cents a year earlier.

Incurable manufactured goods, weekly earnings averaged \$48.04 as compared with \$47.96 at July 1 and \$44.84 a year ago, and the hourly rate was 112.5 cents compared with 111.8 in July, and 106.5 last year.

Weekly earnings in non-durable goods stood at \$40.39 for both August and July this year, but were above last year's August figure of \$37.99. Hourly rate was 95.7 cents in July and August this year, and 91.1 cents a year ago.

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REFRESHER FLYING TRAINING: The RCAF's Chipmunk refresher flying training scheme, designed to maintain a pool of trained veteran flyers for use as wartime RCAF staff pilots and flying instructors, was officially launched at Uplands airport, Ottawa, Sunday afternoon, October 15.

CANADIAN FORCES' DECORATION TO 148: The award of the Canadian Forces' Decoration to 148 R.C.A.F. officers and other ranks was announced on October 16 by Air Force Headquarters. Both serving and retired personnel are included in the awards. The decoration was approved this summer and this is its first award to Air Force personnel.

The Canadian Forces' Decoration is awarded for 12 years' service in either the Permanent or Reserve Forces, and is the first purely Canadian decoration for service of this nature. It is common to all the Armed Forces and supersedes various long service and good conduct awards peculiar to individual services, and which had no distinct Canadian connection.

The actual decoration is a 10-sided silver-gilt device, bearing on its front the effigy of the King, encircled by the Royal title. The reverse bears a Naval Crown, Maple Leaves and an Eagle, representing the three Services. The ribbon is red, equally divided by three narrow vertical white stripes. The decoration may be awarded only to personnel with service after January 1, 1946.

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FARM PRICES LOWER: Farm prices of agricultural products in August for all Canada declined nearly four per cent from the July level, and were also down slightly from August last year, according to index numbers compiled by the Bureau of Statistics. The August index, on the base 1935-39=100, stood at 251.6 as compared with 262.0 for July, the highest this year, and 252.8 for August, 1949.

The decline in the index from July was attributable in large part to the lowering of the initial price of western wheat at August 1 this year from \$1.75 to \$1.40 per bushel basis No. 1 Northern, in Fort William-Port Arthur or Vancouver. This decline in wheat prices, together with a slight decline in potato prices, more than offset advancing prices for livestock, poultry and eggs.

Reflecting the lower initial price for wheat, index numbers for the three Prairie Provinces showed declines from July. Indexes for the remaining provinces were higher. Compared with August last year, indexes were higher for Quebec, Ontario and British Columbia, and lower for each of the Maritime and Prairie Provinces.

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FIRST WAR LOAN BONDS: First War Loan bonds bearing call letter D increased in maturity value by \$250,000. The appreciation took place automatically when the Minister of Finance, Mr. Abbott, drew the letter D out of a hat in accordance with the original terms of the \$250 million bond issue. The result of the drawing means that persons holding First War Loan Bonds bearing call Letter D will receive 100% on the date of redemption, February 1, 1951.

GOVERNMENT REVENUES, EXPENDITURES: The Minister of Finance, Mr. Abbott, on October 14, released a statement compiled by the Comptroller of the Treasury covering revenues and expenditures of the Government of Canada for the month of September.

The Comptroller's statement shows total revenues of the Government for the month of September amounted to \$214.5 million compared with \$174.0 million for September 1949. Total revenues for the first six months of the fiscal year amounted to \$1,281.4 million compared with \$1,240.6 million for the same period a year ago.

The Comptroller's statement shows total expenditures for September of \$211.0 million compared with \$189.7 million for September 1949. Total expenditures for the first six months of the fiscal year amounted to \$985.3 million compared with \$961.7 million for the same period of 1949.

SEPTEMBER REVENUES

Revenues for September exceeded expenditures by \$3.5 million, bringing the accumulated surplus at September 30 to \$296.1 million. The surplus for the six months ended September 30, 1949, amounted to \$278.9 million.

Mr. Abbott stated that "the surplus for the first half of the fiscal year should not be taken as indicative of what the final results would be for the year. The expanded defence programme announced at the special session of Parliament has not as yet been reflected to any considerable extent in the expenditures of the Government. In addition, there are always a number of expenditures at the fiscal year-end which tend to reduce substantially the budgetary surplus accumulated in the early months of the fiscal year.

In addition to budgetary expenditures, there were non-budgetary disbursements, that is, outlays for loans, advances and investments, amounting to \$42.5 million in the period April 1 to September 30, 1950, compared with \$110.7 million in the comparable period of 1949.

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RADIOTELEPHONY FOR AIRCRAFT: The Far East and Pacific Office of the International Civil Aviation Organization has announced that an informal meeting began on October 10 in Sydney, Australia between government and airline representatives to discuss the introduction of long-range radiotelephony facilities for en route airground communications across the South Pacific.

The meeting is being attended by representatives of Australia, Canada, France, New Zealand and the United States and of airlines operating in the South Pacific Region.

Up till now radiotelephony has been used only in that Region for short-range communications with aerodrome control towers or over areas where receiving stations have been

located relatively close together along the route. This has meant that long-range communications have had to be sent by radiotelegraphy using the morse code; in radiotelephony the pilot is able to talk directly to controllers on the ground as if over the telephone.

During the past 3 years ICAO has recommended at several Regional Air Navigation Meetings that governments should experiment in the use of radiotelephony for long-range communications; the result of these experiments has been found so successful in the South Pacific as to warrant the immediate introduction of this method of communication.

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CANADA AT THE UN

MR. DICKEY ON ECONOMIC DEVELOPMENT: The following is an excerpt from the statement made by Mr. John Dickey, representative of Canada, in the Second Committee, on the question of economic development of under-developed countries, on October 14:

"This debate has shown that there is general agreement on at least one point among us around this table. You sir, must have been struck as I have been, by the fact that almost without exception, previous speakers have referred with approval to the attention which has been paid by the United Nations to the subject of economic development. We are all pleased that such priority of attention has been given to economic problems, particularly as they affect those countries which today are referred to as comparatively under-developed.

EXPANDED PROGRAMME

"As a result of the careful consideration which has been given to this subject in the Assembly, in the Economic and Social Council, in the specialized agencies and among non-governmental organizations, we have recently embarked upon the United Nations Expanded Programme for Technical Assistance. This is a great accomplishment. Its full fruits cannot be enjoyed for some years, but it is reasonable to expect early beneficial results in many areas. It is a source of great satisfaction to us all that many nations have joined in a great co-operative effort to make important contributions to the improvement of economic conditions in large and important areas of the world. Fifty-four nations were represented at the Technical Assistance Conference held in June, 1950, and, they have contributed according to their ability to the financial backing of the programme

"All of us I am sure must regret that several countries of Eastern Europe have so far remained aloof. These same countries claim great accomplishments in domestic economic developments. However, they have not found it possible to make any contributions to the technical assistance fund. This situation is

the more to be regretted because, since they voted for the technical assistance resolution at the Fourth General Assembly, we had reason to hope for their substantial participation. In spite of the abstention of the Soviet Union and its satellites the programme has satisfactorily gone forward through its early stages.

"The results which are being achieved have obviously made necessary some explanation of the position of those who refused to participate. An attempt has been made in the debate to disguise their failure to join in assistance to under-developed countries by characterizing the whole programme as a project of American Imperialism. As a relatively small country but one which has been fully prepared to do its part in the work of United Nations in the economic field Canada cannot share these views. We have become so familiar with the false and tortured meanings given to ordinary and well understood words by communist propagandists that we can afford to disregard these suggestions which are obviously intended to divert the attention of Delegates from the fact that the Cominform countries have refused to help.... "

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NEW BORDER REGULATION: The Minister of Citizenship and Immigration, Mr. Harris, announced on October 16 that, in view of the recent regulations put into effect by the United States Government, aliens in the United States who have not been admitted to the United States for permanent residence and who seek admission to Canada will be required to present evidence that they will be re-admitted to the United States.

Permanent resident aliens of the United States who have the required documents will continue to be admissible to Canada provided they can comply with Canadian immigration regulations.

Aliens wishing to enter Canada in transit to the United States must be in possession of the required assurance of admission to that country.

The Minister pointed out that this step had been taken to prevent inconvenience to travellers who might encounter difficulty in re-entering the United States after their visit to Canada.

* * * *

CAPT. GEOFFREY B. HOPE RETIRES: The retirement of Captain Geoffrey B. Hope, O.B.E., R.C.N., 56, of Victoria and Ottawa, Assistant Chief of Naval Technical Services (Works) at Naval Headquarters, was announced on October 16. Captain Hope proceeded on retirement leave on October 1. He has been succeeded by Commander (SB) John B. Roper, R.C.N., 47, of Ottawa, who formerly was Deputy Assistant Chief of Naval Technical Services (Works).

VAST IRON, OIL OUTPUTS ARE VISUALIZED

MR. WINTERS' NEW YORK ADDRESS: The following is an excerpt from the address by the Minister of Resources and Development, Mr. Winters, before the Women's Canadian Club, in New York, on October 14:

"Since the end of the war Canada has entered a new phase of resources development, which in its intensity and promise has hardly any equal in the history of our country. The outstanding examples are: oil, iron ore and water power.

"In 1946 only a trickle of our domestic requirements of oil was met from domestic production, about 10 per cent. By the end of 1950 when the inter-provincial pipe line from Alberta to Wisconsin on Lake Superior will be completed, Canadian crude will be supplying about half of our domestic consumption, which is presently running at 330,000 barrels a day.

"In iron ore the most well-known discoveries are those in Northern Quebec and Labrador. Nearly 400 million tons of high grade ore have been proved by drilling, and vast resources beyond it are indicated. Arrangements to develop these tremendous ore bodies are under way. Present plans visualize an annual output of 10 million tons to be realized between 1955 and 1960, increasing to 20 million tons per year if the St. Lawrence Waterway is built.

IN UNGAVA PENINSULA

"Encouraging reports have also been received about the existence of major ore bodies in the northern parts of the Ungava Peninsula in Quebec which because of their closeness to the sea may become an important source of low cost ores.

"But this is not all. Large iron ore deposits are also being developed in Ontario north of Lake Superior. Annual production in this region has already reached 2 million tons. Further expansion up to 10 million tons per year is anticipated. Most of this ore as well as the ore from Northern Quebec and Labrador is or will be going to United States steel mills whose appetite for imported iron ores is continuously increasing.

"Water power is another of these phenomenal developments in our country. Little of this is widely known. With a population of less than 1 per cent of the world's total, Canada produces about 6 per cent of the world's estimated electric power output. On a per capita basis Canada produces twice as much electric power as the United States on an average at about half the cost. Rapid as Canadian progress in

power development has been, tremendous water resources remain untapped. Canada is utilizing only about one-quarter of her potential water power resources. There are some two dozen new hydro projects in various stages of development in Canada. Most of these are expected to be completed within the next three years, increasing Canadian water power output by close to one-quarter. These new developments coming into operation would provide enough power to supply with electricity all the homes in the States of New York, New Jersey and Pennsylvania, including Greater New York and Philadelphia.

"Most of the development presently under way has taken place in the more settled parts of Canada. But in the process of carrying out these developments Canadians have pushed further north all the time. And in so doing they are finding that undreamed-of opportunities are opening up in the development of our north-land.

THE LAST FRONTIER

"This is in fact the last frontier of the North American continent. It includes Alaska, the Yukon and Northwest Territories, and the northern parts of British Columbia, the Prairie Provinces, Ontario, Quebec and Labrador. The outstanding characteristic of this region is its vastness. It is larger in area than the continental United States.

"I have only recently returned from a tour of Canada's northern territories. I have come back greatly impressed by the challenges that lie ahead in developing this untamed but beautiful and potentially wealthy country. I have become convinced that large rewards await many of those who will invest and participate in this development.

"I saw a great deal of activity in the Yukon and Northwest Territories, more or less typical of what is going on in the whole vast north-land. Most of it is development for peace. Some of it is preparedness against aggression. The north country is stirring to the quickening pulse of mining and power development. New wealth is being created, and more is in prospect - gold, silver, uranium, lead, zinc, copper, iron ore, coal and petroleum. And yet it is literally true to say that the surface has not been scratched at more than a few points. Potential power sites are plentiful too. Incidentally, one in Labrador is higher than Niagara. This is the Grand Falls on the Hamilton River...."

MR. PEARSON ON UNITED ACTION FOR PEACE

ference not so long ago when his friends were in the majority.

"But who composes this tyrannical Anglo-American camp that goes around trampling on the rights of the Soviet bloc, and which automatically and on all occasions crushes any move that it makes? Does it include India, Egypt, Ecuador, Burma, Yugoslavia, Syria and all those other Members of the United Nations who bitterly resent the charge that they are in any camp and whose voting record here proves their resentment is justified?

"Mr. Vishinsky, while solicitous about the minority, scorns, in his turn, the rights of the majority; a majority which is presumably always wrong unless it includes five of the sixty Members of the United Nations. He refers to our decisions as rule by arithmetic. In his arithmetic, the minority or small fraction is always right and action against its wishes is *ipso facto* illegal, scandalous and unjustifiable....

"CAMP OF SATELLITES"

"The fact is, as Mr. Vishinsky of course knows, that all this talk about the Anglo-American camp of satellites and its automatic majority is absurd. It is, however, too much to expect that we will not continue to hear a great deal about it at this and other Assemblies, because without it many of Mr. Vishinsky's arguments would be even less impressive than they are.

"May I now say a few words about the resolutions before us. So far as the Chilean draft resolution is concerned, I will at this time say only this: we pay tribute to the high-minded initiative of the Government which sponsored it, and we hope, as the representative of Ecuador hoped, that there is some way by which this draft resolution can be considered in relation to the seven-Power draft resolution. I do not wish at this time to say anything more about the Chilean draft resolution as I shall probably have an opportunity to do so later.

"I should like to say a few words about the draft resolution sponsored by the seven Delegations, of which my Delegation has the honour to be one. This joint draft resolution, as we see it, embodies a plan to strengthen and organize the Assembly for peace. As such, it threatens no one, except he who would commit an aggression or break the peace. Its purpose is solely to help defeat aggression and it has nothing to do with warmongering or incitement to war.

"In one sense, this draft resolution is the product of the aggression committed by North Korean forces last June. That aggression shocked us all not only into a realization of our danger, but also of the inadequacy of our collective security arrangements to meet this danger quickly and effectively. True, the

Security Council did act in June, speedily and effectively, but such action - as has been pointed out by one speaker - was made possible only by the accident of Soviet absence from the Security Council. The reasons given for this absence had, of course, nothing to do with the aggression in Korea, and the validity and sincerity can be judged by the fact that they still existed a month later when the Soviet Union Delegation returned to the Security Council to frustrate its operations during August. The walkout, and the walk back, were both examples of arrogance on the part of a minority which could not have its own way immediately in respect of a matter which it considered to be very important and, indeed, is very important. The action of the Security Council in June also showed how unprepared most Members of this Organization were to implement quickly the recommendations which they accepted. We were frankly not organized for this purpose. We had to improvise. Well, we hope that next time we may not have to improvise.

STRENGTHEN THE ASSEMBLY

"I think that we have learned the lesson of the events of June, and this draft resolution is a demonstration of that fact. We have learned, I hope, that in the face of a dangerous international situation and Security Council which can apparently act in certain types of aggression only in the absence of one of its members, we must strengthen other agencies of the United Nations to preserve the peace. We must especially strengthen the Assembly. This does not mean that we wish to short-circuit the Security Council or destroy the role that it was meant to play under the Charter, as the agency of the United Nations primarily responsible for the maintenance of peace and security. Not at all.

"The General Assembly, in this draft resolution, is only to be used when the Security Council fails to perform, or is prevented from performing, its peace-preserving functions. If the Security Council acts, that will satisfy us, and there is nothing in this draft resolution which interferes in anyway with such action.

"But if it does not act, or if it is unable to act, what then? Are we to sit back and admit the final and complete failure of our peace machinery? That would be an admission of defeat and despair, and we are not willing to make such an admission. One way out of this dilemma, of course, is the building up of regional and limited collective security systems, such as that under the North Atlantic Treaty. These do help to close the gaps in our security system, but they are only partial and limited devices. It is the United Nations itself, our universal organization -- and we must try to keep it that -- which must be strengthened; among other ways, by strengthening the Assembly along the lines of the draft

resolution. We must organize -- through the General Assembly, and in the event of the Security Council failing in its duty -- force behind the law; force to stop aggression; force to carry out Assembly recommendations which are accepted by its Members. It is, of course, only by recommendation that the General Assembly can act -- and nothing in this draft resolution changes that -- but recommendations, as we know now from the events of June, can have a force as strong and compelling as any mandate, when right and justice are behind them.

"Mr. Vishinsky made a great effort yesterday to prove that this draft resolution is illegal and contrary to the Charter in many of its terms, but I do not think he will have convinced those of us who are not already satisfied that anything he says is convincing. He has overlooked, of course, one essential point which I have already mentioned, namely, that the Assembly is being given powers which are not only within the Charter, but are to be used only after the Security Council itself has failed to take or been unable to take action. The acceptance of Mr. Vishinsky's legal argument merely means that the United Nations cannot take any action at all to safeguard peace and security, if the Security Council is made powerless by any one of its Members. We do not and cannot believe that the United Nations Charter sanctions any such futility.

BASIS OF POSITION

"The Canadian Delegation, in sponsoring this draft resolution, considers that the General Assembly, by voting these proposals, would be simply making provision to utilize certain powers which it already possesses. And that is the basis of our position. We do not think of these proposals as constituting any radical or revolutionary departure in interpretation of the Charter, but rather as practical measures to meet situations in which the purposes of the United Nations might be frustrated. We consider that the time has now come to spell out certain measures which, within the terms of the Charter, the General Assembly and its Members can take to be more fully prepared for such emergencies in the future....

After discussing the details of the resolution Mr. Pearson added, in part:

"What has the Soviet Union Delegation to propose as an alternative to the measures contemplated in this draft resolution - those measures of the draft resolution which it does not approve - for strengthening the capacity of the United Nations as an effective instrument for the maintenance of peace and security? I think my fellow representatives must have been about as surprised as I was to hear the alternative proposed by Mr. Vishinsky yesterday. In ringing tones he urged that the Military Staff Committee contemplated under Article 47 of the Charter should be put to work as soon as possible and that we should begin to work out military agreements under

Article 43 of the Charter. It is not necessary for me to rehearse before this Committee the story of the obstruction by the Soviet Union Government to all attempts to organize the Military Staff Committee or to conclude agreements under Article 43. This course of obstruction has persisted over months and increased over years, and all attempts to comply with this portion of the Charter have come to a standstill.

"In the face of such obstruction, Mr. Vishinsky now comes forward with the proposal that the Military Staff Committee should get to work as soon as possible and that military agreement should be concluded in accordance with Article 43. If this means that the Soviet Union Delegation intends to modify its previous attitude and to co-operate constructively in the work under Chapter VII of the Charter, it is the best news that we have heard for a long time. If it does not mean that, then it is nothing but a piece of rhetoric which assumes very short memories and a very low order of intelligence on the part of members of this Committee...."

* * * *

DESTROYERS IN ACTION OFF KOREA: With the Canadian Destroyers off Korea, October 16 -- Canadian destroyers operating with United Nations naval forces have taken part in actions off the east and west coasts of Korea during the past week.

H.M.C. Ships Cayuga (Captain Jeffrey V. Brock) and Sioux (Cdr. Paul D. Taylor) were attached to a task force commanded by Rear-Admiral W.G. Andrewes and operating off the Korean west coast. The force carried out carrier air strikes and surface bombardments of troop concentrations, supply lines and gun emplacements north of the 38th parallel in the Changyon and Chodo areas.

The Sioux on one occasion was sent south of the 38th to blast an enemy shore battery on Fanfochi Point, on the Ongjin peninsula. Several hits were scored and heavy damage was inflicted.

The Cayuga was detached from the task force early in the week to return Vice-Admiral Harold T.W. Grant, Chief of the Naval Staff, to Tokyo, following his visit to the theatre of operations.

The Cayuga is on her way back to rejoin the task force on the west coast.

On the east of Korea, H.M.C.S. Athabaskan (Cdr. Robert P. Welland) was one of 37 United Nations warships engaged in the biggest naval movement on the east coast since the beginning of the Korean war.

The task force, headed by the battleship U.S.S. Missouri, pounded red-held positions from the city of Songjin to the Manchurian border. The Athabaskan's duties included screening and bombardment and on one occasion she teamed with the American light cruiser Worcester in carrying out a large-scale bombardment of Communist installations.

URGES CO-ORDINATION OF NATIONAL POLICIES

MR. HOWE'S BOSTON ADDRESS: The following is the partial text of the address on, "Joint Resources and Common Purposes," delivered by the Minister of Trade and Commerce, Mr. Howe, to the Boston Conference on Distribution, on October 16:

"....It will take more than guns and ammunition to stop the rising tide of Communism. Russia has always said that the countries of the Western world will eventually collapse from economic rather than military weakness. That is what the men in the Kremlin may be counting on in the present situation. It is possible that they may try to draw us out on more than one front in the hope that we may expend our energies and dissipate our resources to our own economic undoing. That is why we must keep our economy strong if we are to beat the enemy at his own game. It is not enough for us to strengthen our military defences at this time. Such action will help to prevent the outbreak of general war, but we will have to do more than that if we are to win the peace. Economic preparedness must go hand in hand with military preparedness. In the months that lie ahead, we must move strongly and surely in a collective effort to strengthen our defences and co-ordinate our activities on the military front. At the same time we must carry on with our long-range programmes for greater economic and social stability which, in the final analysis, can be the only firm basis for peace.

- WINNING THE ECONOMIC WAR

"The task of winning the economic war will not be an easy one. If we are to maintain and develop our strength on the economic front we will have to dovetail military requirements with essential civilian needs as effectively as possible and at the same time avoid undue hardship in any one sector of the community. We will have to divert some of our productive facilities and expand others to meet our national and international commitments. We must make full use of our industrial potential by using our resources of materials and labour and capital equipment as efficiently as possible. In carrying out this programme, we must keep strains and dislocations within the economy at a minimum. We will have to try and keep inflationary tendencies from getting out of hand. We will have to avoid excessive rises in costs and prices and wages. We will have to solve problems of transportation and distribution as well as those of production. And in doing all this we must keep the nation financially sound.

"....We are now in a period which is neither total war nor total peace, but a little of both. In such a period we can have neither the regimentation nor the full control that we associate with a state of war; nor can we have the degree of freedom that is possible under a

peacetime regime. It, therefore, becomes the responsibility of all of us as individuals and as responsible officials in business and industry to do everything we can to prevent undue waste, to avoid hoarding, and to use our resources and energies as efficiently as possible. It becomes the responsibility of governments to co-ordinate national policies to take care of both civilian and military needs without jeopardizing our economic future."

Mr. Howe said he thought the best way Canada and the United States could minimize present difficulties was "by pooling our resources and extending the co-operation between our two countries to cover matters other than those of purely military significance."

He said:

VALUABLE NEW RESOURCES

"In Canada, we have lifted a corner of the overburden and glimpsed vast reserves of valuable new resources. We have drilled a few small holes in our earth and found great underground oceans of new energy. We have tried our hands and our skills at new works and found we could hold our own with any industrial nation. We have explored new scientific frontiers and opened up new vistas. As yet the potentialities of our future are only beginning to dawn on us and we are beginning to realize that if there are any limitations to our progress, it will not be of nature's but of man's own making.

"Canada, as you know, is a country richly endowed in natural resources and an important supplier of a large number of basic materials essential not only in war but also in peace. Not only can we supply large quantities of strategic metals, lumber, and foodstuffs, but in many respects our resources are complementary to those of the United States. Our northern half of the continent is rich in hydro-electric power; your half in coal and oil. In lumber we have an abundance of softwoods; you have the hardwoods. In other forest industries, in agriculture, and more recently in manufacturing, there is a similar broad balancing of resources and productive possibilities.

"But still more important from the standpoint of economic co-operation are the recently-discovered reserves of two highly essential commodities. I refer, of course, to the oil fields of Alberta and the iron ore deposits on the Quebec-Labrador border. Present rates of consumption for oil and iron are already high and the demand for both these products will rise sharply as defence production plans get into full swing. The advantages of alternate sources of supply for Texas oil and Mesabi iron right here within our own continent are only too obvious in times like these when strategic considerations are of the utmost importance....

"Canada emerged from the last war with greater managerial skill and with a better-

trained labour force. We had proved our capacity to manufacture entirely new products, to adapt our techniques to meet different standards, and to increase our production on a competitive basis -- in short, Canada had become a major industrial nation....

The Minister instanced the St. Lawrence Seaway as a project of mutual interest and added:

"By making full use of our Great Lakes - St. Lawrence System for both navigation and power, industry and commerce in both countries will benefit. Cheap transportation combined with cheap power will bring industrial expansion to the immediate area served, and indirect benefits will spread throughout the North American economy. Not only will the scheme provide power that is urgently needed. It will enable Labrador ore to move to the steel mills of the Great Lakes region via an easily-defended route. In wartime, it would permit additional supplies of oil to reach eastern centres should more vulnerable sources of supply be cut off....

The two nations, Mr. Howe said, could add to their economic strength also by co-operation in the fields of trade and international relationships.

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NEW CARS LEAD SALES RISE: Canada's retail trade increased 13 per cent in August over the corresponding month last year, showing the largest gain since April last year. All provinces and practically all trades shared in the marked sales advance in the month. In the first eight months of this year the rise in all-Canada sales was nearly six per cent.

Outstanding in this year's August results was the 52 per cent gain in motor vehicle dealers' sales -- an indication of the sustained demand for new passenger cars. Coal and wood dealers' sales were up 25 per cent, the second successive month in which marked gains in sales were reported.

Other notable increases were shown by garages and filling stations, with a sales rise of 24 per cent; lumber and building material dealers, 22 per cent; and appliance and radio dealers, 16 per cent. Grocery and combination store sales were up nine per cent.

For the first time in many months, all trades in the apparel group recorded gains in sales volume, with a nine per cent increase in men's clothing stores the largest. Women's clothing store sales rose 7.8 per cent, and family clothing stores three per cent. Of the three minor declines reported, the largest was a drop of two per cent for tobacco stores.

In the January-August period, motor vehicle sales led the advances with a rise of 36.3 per cent over the same period last year, followed by coal and wood dealers at 20.1 per cent, garages and filling stations 13.7 per cent, and appliance and radio dealers 12.5 per cent. Declines in the eight months ranged from 0.4 per cent in restaurant sales to 10.2 per cent for women's clothing.

I.L.O. GENEVA DELEGATES: The Minister of Labour, Mr. Gregg, released on October 16 the names of Canada's delegates to the third session of the International Labour Organization Petroleum Committee, which meets in Geneva from October 24 to November 4.

The Petroleum Committee is one of the eight Industrial Committees of the I.L.O. All these committees are tripartite, consisting of delegates representing governments, employers and workers from the member countries.

Government delegates will be C.T. Richard, K.C., M.P., of Bathurst, New Brunswick, and R.H. Hooper, Industrial Relations Officer of the federal Department of Labour at Winnipeg.

Delegates representing employers will be A.G. Cockrill, Director of Industrial and Public Relations of the British American Oil Company, and W. Yalden-Thomson, Co-ordinator of the Labour Relations and Research Division of the Imperial Oil Company, both of Toronto.

Workers' delegates will be Gordon Fisher of the Oil Workers' International Union, of Lakeview, Ontario; and Marcel Franco, Canadian Representative of the International Chemical Workers' Union, of Montreal.

The meeting will deal mainly with social conditions in the petroleum industry, with special reference to housing and to social services, such as education, medical and transport services, and recreation.

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FARM COSTS STILL RISE: The Bureau's composite price indexes of commodities and services used by farmers, both inclusive and exclusive of living costs, showed further advances between April and August, but in each case the rate of advance was less than from January to April.

Based on 1935-39 equals 100, the composite index, inclusive of living costs, moved up five points in the four months from 196.5 for April to 201.5 for August. This compares with a rise between January and April of 8.6 points from the January standing of 187.9, which was down from 192.3 in August last year. Exclusive of farm living costs, the index rose 5.7 points from 209.7 for April to 215.4 for August as against an advance from January to April of 13.4 points from 196.3 in January. The latest standing of this index compares with 204.2 for August last year.

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REPORT ON MANUFACTURING INDUSTRIES: The growth of Canada's manufacturing industries in the past 30 years is traced in the annual report of the industry for 1947 released on October 16 by the Bureau of Statistics. New records were established during the year in gross and net values of production, cost of materials, salaries and wages, and number of establishments. The number of employees, although below wartime peaks, was at a peacetime high.

NATIONAL NOTES

Mr. Justice R.L. Kellock, of the Supreme Court of Canada, was appointed by the Cabinet on October 17 to arbitrate between the rail-ways and the unions in regard to remaining differences in matters of wages and hours.

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Plans to prepare a United Nations flag to fly on October 24, United Nations Day, have been announced by a committee of the Regina United Nations Association.

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Ten Arthritis and Rheumatism clinics in Toronto, Hamilton, London, Windsor, Kingston and Ottawa are to be equipped with special technical apparatus purchased with a federal health grant.

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Seven young men from the "lower deck" of the Royal Canadian Navy entered university this Fall under the plan which provides selected men with the opportunity to acquire educational qualifications required for promotion to commissioned rank.

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Flight trials of an F-86 fighter powered by the Canadian-built Orenda jet engine have commenced at the United States Air Force Base at Muroc Dry Lake, California. The initial flight of the fighter fitted with the powerful Canadian power plant marks the opening of another phase in a test programme being carried out by the United States Air Force to determine further potentialities of the engine.

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Cars of revenue freight loaded on Canadian railways during the week ending October 7 totalled 89,273, showing a decline of 1,703 cars from the preceding week, but a slight rise over the 89,082 cars loaded in the corresponding week last year.

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Revenue freight carried by Canadian rail-ways in June totalled 12,521,819 tons, showing an increase of 10 per cent over the 11,411,-938 tons transported in the same month last year.

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A veteran fire investigator testified in Quebec City on October 18 that he believes the fire which destroyed the cruise ship Quebec last August was "set wilfully." The fire cost seven lives. The investigator-- Charles Hazen - is a Montreal chemist with thirty years' experience in fire investigation.

NEW \$700,000,000 LOAN: The Minister of Finance, Mr. Abbott, announced on October 18 the issue of a new \$700 000,000 Government of Canada loan. This issue represents the second offering of securities by the Government this week, the first being the Fifth Series of Canada Savings Bonds which went on sale on Monday, October 16.

The proceeds of the new issue announced today, together with other resources, will be used by the Government for the redemption of two 1½% issues maturing on November 1, 1950 aggregating \$735,690,000 in amount.

The new issue consists of two maturities - 2-year 1½% bonds maturing November 1, 1952 and 5-year 8-month 2½% bonds maturing July 1, 1956. The short-term bonds are being offered at 99.70% to yield about 1.91% to maturity and the longer term bonds are being priced at 99 3/8% to yield about 2.37%.

Both bonds are non-callable to maturity. The interest on the 2-year bond is payable on May 1 and November 1. The interest on the 5-year 8-month bond is payable on July 1 and January 1, the first interest date being July 1, 1951. Both bonds will be offered in deno-minations of \$1000, \$5000, \$25,000, \$100,000 and \$1,000,000.

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BANK RATE INCREASED: The Bank of Canada has announced that the Board of Directors decided at a meeting on October 16 to increase the Bank Rate, effective October 17, to 2 per cent from the 1½ per cent level established on February 8, 1944.

At the time the reduction in Bank Rate took place in 1944, the Bank expressed the view that it did not then see any prospect of an economic situation in the post-war period of a character which would call for a policy of raising interest rates. The change to a 2% Bank Rate is an indication that the earlier view no longer holds good under today's conditions when Canada faces the prospect of sub-stantially increased defence expenditures adding to the pressure on the country's re-sources at a time of virtually full employment.

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WHEAT STOCKS. Stocks of Canadian wheat in store or in transit in North America on October 5 were slightly below last year's correspond-ing total. Deliveries from farms in the Prairie Provinces were higher during the week, but overseas export clearances moved to lower levels.

Visible supplies on October 5 amounted to 172,821,000 bushels as compared with 174,854,-000 a year earlier, and deliveries from farms totalled 20,758,000 bushels compared with 19,330,000. Overseas export clearances amounted to 3,669,500 bushels as against 4,323,900.

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WEEK'S EVENTS IN REVIEW

SPECIAL FORCE PARTY TO KOREA: It was announced on October 23 that the advance party of 345 officers and men of the Canadian Army Special Force who sailed on October 21, in a United States transport are proceeding direct to Korea. This is a working party to prepare the way for the Special Force should any part of it be later sent to Korea.

With respect to the disposition of the Special Force, the Minister of National Defence, Mr. Claxton said: "The Force was offered to the United Nations for combat service in Korea and until information received from the United Nations makes it clear that it is not needed in Korea, it is not possible to decide that all or part of the Force shall not go there. The Government has from day to day been waiting for the information which will enable it to take its decision".

In reply to enquiries as to where the force would be if it did not go to Korea, Mr. Claxton said that this had been dealt with in the Prime Minister's statement of October 6, 1950. Mr. St. Laurent said: "It may be that circumstances will make it expedient to employ this Special Force in some other area and, if circumstances make such a course seem advisable in the interest of increasing the common security of ourselves and of our allies, the Government will not hesitate to recommend to Parliament that this force be employed elsewhere.... That might well mean its employment in Europe if that is what best fits into the joint plans when those joint plans have taken definite shape".

CANADA-U.S. ECONOMIC ACCORD: The Department of External Affairs released on October 26 the text of an exchange of notes, giving formal effect to the "Statement of Principles for Economic Co-operation" between Canada and the United States. The statement sets forth general principles for guidance of the two Governments in achieving a co-ordinated economic programme for their common defence.

The notes were signed in Washington by Mr. H.H. Wrong, Ambassador of Canada, and Mr. Dean Acheson, Secretary of State of the United States. The two chairmen of the Joint Canada - United States Industrial Mobilization Planning Committee, Mr. C.D. Howe, Minister of Trade and Commerce, and Mr. W. Stuart Symington, Chairman of the United States National Security Resources Board, were present at the signing.

The exchange of notes reaffirms the practice of the two countries followed during the Second World War when they co-operated closely under the terms of the Hyde Park Agreement of 1941. That agreement enabled officials of Canada and the United States to co-ordinate for mutual benefit their efforts in such matters as military procurement, economic controls and the use of raw materials.

The arrangements worked out under the Hyde Park Agreement proved so successful that when international conditions again appeared threatening, the Joint Canada - United States Industrial Mobilization Planning Committee was established on April 12, 1949, to exchange information in case joint action should again

(Continued on p. 9)

IMPORTS, EXPORTS SHOW GAINS. Canada's foreign commodity trade was maintained at a high level in August in spite of the obstacles during the railway strike to the inward and outward movement of goods, imports being up moderately from the preceding month and substantially above August last year and exports showing small gains in both comparisons.

For the second successive month and the fifth this year, the value of merchandise imports in August exceeded the total value of domestic and foreign exports, producing an overall debit balance of \$6,600,000. This compares with the small trade deficit of \$2,700,000 in July and a credit balance of \$41,900,000 in August last year, making an aggregate deficit on foreign trade of \$14,300,000 for the first eight months of the year as against a credit balance of \$83,700,000 for January-August last year. An import balance was recorded in August trade with all leading customers and main geographical areas except the United Kingdom, European countries as a whole, and Commonwealth countries in Asia. This contrasts with a substantial export surplus a year ago to other Commonwealth countries as well as the United Kingdom, and also to other foreign countries.

U.S. IMPORTS INCREASE

August imports from the United States were up substantially from a year earlier but due to the sharply increased flow of Canadian shipments across the border, Canada had a debit balance of only \$2,500,000 in the month's trade with the United States as compared to a debit balance of \$26,600,000 a year earlier. For the eight months the debit balance was down sharply to \$90,000,000 from \$389,100,000 last year.

Exports to the United Kingdom were higher in value in August than July but were down sharply from last year, while imports were again above the 1949 value. The result was a balance of \$8,500,000 in Canada's favour compared to \$2,600,000 in July and \$37,100,000 in August, 1949, making a cumulative credit balance of \$61,100,000 for the eight months as against \$253,000,000 last year.

Imports from all countries in August were valued at \$267,300,000 as compared with \$259,500,000 in July and \$212,100,000 in August last year. In the eight months the aggregate value was \$1,979,800,000 as against \$1,852,400,000 a year earlier. The values of all nine commodity groups were higher in the month, while six were higher in the eight months. Domestic and foreign exports increased slightly in value to \$260,600,000 in the month compared with \$256,700,000 in July and \$254,000,000 a year ago, bringing the eight-month total to \$1,965,500,000 as against \$1,936,100,000.

With gains in all nine main commodity groups, the value of imports from the United States rose in the month to \$172,552,000 from \$143,553,000 a year earlier.

TO REVISE GOLD BONUS BASIS: The Minister of Mines and Technical Surveys, Dr. McCann, announced on October 25 that the Government had decided to recommend the continuation for one additional year on a revised basis of the gold bonus programme commenced in 1948 for a three-year period.

A bill will be introduced at the next session of Parliament to amend the Emergency Gold Mining Assistance Act to authorize its extension for the calendar year 1951 on the revised basis, as well as to provide for the additional assistance covering gold produced and sold during the last three months of 1950 that was announced by the Minister of Finance on September 30 last following his announcement that the Canadian dollar was being allowed to find its own level in terms of the American dollar.

The revised assistance payments will be based on a reduction in the rate of assistance and on a change in the base year.

NEW RATE OF ASSISTANCE

At the present time the rate of assistance per ounce is one-half the amount by which the average cost of production per ounce of gold produced from any mine in the year exceeds \$18, provided that in no case shall the rate exceed \$16 per ounce. Under the proposed amending legislation the rate of assistance will be one-half of the amount by which the average cost of production per ounce of gold produced from the mine exceeds \$22, provided that in no case shall the rate of assistance exceed \$11.50 per ounce.

Under the present legislation the assistance payable is calculated by applying the rate of assistance to the number of ounces of gold by which the number of ounces produced from the mine in the year and sold exceeds two-thirds of the number of ounces produced from the mine during the base year. In no case, however, is the assistance payable to be less than the amount calculated by applying the rate of assistance to one-third of the number of ounces of gold produced from the mine during the year and sold. In the case of new mines the rate of assistance applies to each ounce of gold produced during that part of a year that is also part of the mine's first year of production.

Under the proposed new legislation the number of ounces of gold produced by a mine to which the rate of assistance will apply will be determined in accordance with these same provisions. There will, however, be a change in the base year.

Under the present legislation, the base year for mines which were in production prior to July 1, 1946, was the year ending June 30, 1947, and for any mine coming into production on and after July 1, 1946, was its first year of production. Under the proposed legislation the base year for mines which were in production prior to January 1, 1948, will be the calendar year 1949, and for a new mine will be, as at present, the first year of production.

NATIONAL PRODUCTION DOUBLES IN DECADE

MR. ABBOTT'S WHITEFIELD ADDRESS: The following is an excerpt from the address of the Minister of Finance, Mr. Abbott, entitled, "Your Northern Neighbour," delivered before the Savings Banks' Association of Connecticut, at Whitefield, New Hampshire, October 16:

"...The picture of the present and the recent past in Canada is one of vigorous expansion and sustained prosperity. The volume and value of our production have multiplied at a rate more rapid than that of our population growth. In 1939, the gross national production of Canada was \$5 1/2 billion; by 1949 this had reached \$15.9 billion; it is now running at an annual rate of \$17 billion. In the short period of ten years we have tripled our output in money terms and just about doubled it in physical terms.

MORE BALANCED ECONOMY

"Even more significant than the gross changes in our production over the last decade are the changes which those years have wrought in the fabric of the economy. Before the war the primary raw material industries dominated our economic life. Our prosperity depended largely upon world demand for the products of our farms, forests and mines. Its primary industries are still very important to Canada and have shown considerable growth in the last decade. But the most spectacular advances have been made in the manufacturing and secondary industries and in the development of new sources of basic raw materials which ten years ago we produced in small quantities or did not produce at all. All this, of course, has contributed to a significant diversification of our economic life and to a more balanced economy.

"Let me cite a few examples. Over the decade our production of primary iron and steel has nearly tripled, our electrical equipment production has more than tripled, our aluminum production has grown nearly five-fold. In the first five months of 1950, we produced more electric refrigerators than in the calendar years 1938 and 1939 combined. We have in Canada today highly developed and efficient output of the more complex industrial products, including machine tools and aircraft, and we are in fact now selling some of the products of our manufacturing industry in the markets of the most highly industrialized countries of the world.

"Perhaps more dramatic and better known to you are some of our most recent discoveries of new basic raw materials -- oil in Alberta, high-grade iron ore at Steep Rock in Ontario, and much larger deposits in Northern Quebec and Labrador, titaniferous ore in Quebec, uranium and base metals in the northwest.

"Recent progress in the Alberta oil fields would appear to confirm the most optimistic view of the probable magnitude of oil reserves

in this field, -- and, I might also add, of natural gas reserves as well. Since the discovery of the Leduc field in November 1947, our estimated oil reserves have increased more than fifteen times. Last year they were more than doubled by the finding of several new major and minor fields. The current rate of exploratory activity as measured by the number of crews at work is second only to that of Texas. So far the efforts of the industry to find new oil fields has covered only a small fraction of Canada's 655,000 miles of prospective oil territory. According to the experts, we have a good chance of achieving national petroleum self-sufficiency within a few years. This, of course, has important implications for our international balance of payments as the importation of petroleum products last year cost us \$275 million. Even now the Alberta oil fields which are pro-rated down to much less than their optimum output are meeting the requirements of the Prairie Provinces and are already saving us about \$90 million each year in foreign exchange. A fortnight ago the new pipeline from Edmonton to Regina was opened. Within a few months this line will be completed to the northern tip of Lake Superior, at which time Alberta will be the major source of petroleum supplies for Ontario.

RECIPROCAL FLOW OF OIL

"It seems fair, however, that over the long term the most economic use of western oil will require that some of it be shipped to neighbouring areas in the United States while the large oil-using centres in Eastern Canada continue to obtain a portion of their supplies in the United States. It would, I think, be unfortunate if our two countries did anything to prevent this reciprocal flow of oil back and forth across the common boundary line and the more efficient utilization of North America's economic resources which that makes possible.

"The Steep Rock iron ore project has been exporting high-grade ore to the United States for some years and plans are now under way to raise the amount to 3 million tons by 1952. The Ungava-Labrador project offers much greater possibilities. The Hollinger-Hanna interests have already proven reserves in excess of 350 million tons and these are considered to be only a fraction of what the field will eventually yield. Six American steel companies have an option to participate in the financing and development of this \$200 million project. Tentative plans call for a railway from the ore body of the St. Lawrence River and the minimum scale of the enterprise involves the shipment of 10 million tons of ore annually. The project, however, will not reach its maximum utilization until the St. Lawrence Seaway has been completed. At that time the plans call for an annual movement of 20 million tons

through the waterways to the great steel-producing centres on the Great Lakes and in the mid-West. The vital importance of this seaway for strategic or defence purposes has been emphasized by recent international developments, but I believe its completion is no less essential if we are to achieve a more effective use of North America's natural resources for peacetime needs. I hope therefore that the necessary legislative authority will soon be forthcoming in order to permit an early start to be made on this important, joint Canada-United States project.

"Within the past fortnight I have seen newspaper comments referring to a report made recently by a leading iron and steel authority which appears to indicate the existence of another major iron ore body in the Labrador region, north of the Hollinger-Hanna concessions and only 75 miles from tidewater. This seems to suggest that the iron-bearing area which the Hollinger-Hanna interests have proved may extend for a considerable distance northward. Incidentally, I note for what it may be worth that one of the possible markets which the group behind this reported discovery appear to have in mind is your proposed New England steel mill, which I believe is sponsored by the New England Council.

"....I would like to say that to many observers the number and importance of the discoveries in the recent past seem to suggest that they may be merely the forerunners of many other similar discoveries which are likely to result from the application of the seismograph, the magnetometer and other modern gadgets, to the exploration of the great Laurentian Shield which forms so large a part of the Canadian hinterland...."

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RED INDIAN SQUADRON TO U.K.: Canada's famous Red Indian, (No. 421) Fighter Squadron of the Regular RCAF, based at Chatham, N.B., will move to the United Kingdom early next year, it has been announced by Air Force Headquarters.

The Minister of National Defence, Mr. Claxton, previously announced that plans were underway for an RCAF fighter squadron to make the overseas shift, but the unit had not been identified. The Minister stated that the RCAF squadron would undergo operational training in the United Kingdom. He said further squadrons were expected to engage in training there and possibly in other North Atlantic treaty countries, in rotation for periods of several months.

Air and ground crew members of the squadron will make the shift. Present plans call for the unit to leave its aircraft in Canada and be provided with fighters in the United Kingdom. At present 421 Squadron flies Vampire jets and it is expected that a similar type of aircraft will be provided on arrival overseas.

THE CANADIAN DEFENCE EFFORT: Canada is spending nearly a billion dollars, \$987 million to be exact, during the current fiscal year, including mutual aid and related defence expenditures. This is an increase of 80% over the pre-Korean defence budget and amounts to about 7% of the net national income. Last year Canada spent \$383 million on defence; the year before, defence expenditures were \$269 million. Including authorizations already made for future orders the defence budget is about \$1.6 billion; in terms of national income this would be equivalent to nearly \$30 billion in the United States.

Canada is spending 43.4% of its defence budget on the Air Force, 35.3% on the Army, 21.3% on the Navy.

What is the money being spent on?

An Active Force of approximately 70,000 men, and a Reserve Force of approximately 68,000 men, or 40% more than the pre-Korean figure, by next summer.

More than 300 new F86 (Sabre) jet fighter aircraft, 100 new Mustangs, more CF 100's (the "Canuck" - developed by Canadian research, finest all-weather, long-range jet fighter anywhere).

New U.S.-type equipment for two Army divisions and for Corps troops, to be obtained partly in Canada, partly in the United States.

Two additional destroyers on active service (previously in reserve): 12 new Sea Fury aircraft for the aircraft carrier "Magnificent"; new guns, anti-submarine equipment and radar of the latest type for naval vessels.

What has Canada offered to the United Nations in Korea?

Three Canadian destroyers (in service since July):

a long-range R.C.A.F. transport squadron (in service since July);

the passenger facilities of the regular Canadian Pacific Air Lines Service between Vancouver and Tokyo (since August);

the Canadian Army Special Force of brigade strength (10,000 men), now partially trained and ready to train as a unit in November.

How has Canada helped its North Atlantic Allies?

Provision of free training facilities for 250 aircrew and Army personnel from North Atlantic countries; in addition, 200 RAF aircrew will be trained by the RCAF in Canada during 1951; mutual aid in various forms to the value of \$300,000,000; free Army equipment for two divisions and Corps troops.

What about production?

Canada is developing its defence industries to produce equipment for the nation and its allies.

By the end of the fiscal year the Canadian Armed Forces will have ordered for their own use alone more than \$500,000,000 worth of aircraft, electronics equipment, ships, motor vehicles, clothing and armament, and will be spending \$100,000,000 on construction. The rates of production of the CF 100 (Canuck) and the F86 aircraft have been doubled.

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MINISTER OF YUGOSLAVIA Dr. Rade Pribicevic, on October 20, presented to His Excellency the Governor General at Government House his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Yugoslavia to Canada.

Mr. Brooke Claxton, Acting Secretary of State for External Affairs, was present. Mr. Howard Measures, Chief of Protocol, presented Dr. Pribicevic to His Excellency the Governor General. Mr. Djuro F. Vukolic, Second Secretary, Lieutenant-Colonel Janko Susnjar, Military Attaché, and Mr. Slavko Zecevic, Second Secretary, accompanied the Minister of Yugoslavia.

Dr. Rade Pribicevic was born in 1896, at Dvor, Croatia, Yugoslavia. He graduated in the Faculty of Law, Zagreb, in the year 1920, and received his doctor's degree in the same year. He graduated in Political Science at Paris in 1923.

Before the Second World War, Dr. Pribicevic practised law in Zagreb and was also engaged in journalism. He took an active part in the political life of Yugoslavia, as a member of the Independent Democratic Party.

From 1943 to 1945, Dr. Pribicevic was a member of the National Committee of Yugoslavia and of the Temporary Government of Yugoslavia. From 1945 to 1946, he was Vice-President of the Government of the People's Republic of Croatia. He was Ambassador to Poland from 1947 until June 1950.

Dr. Pribicevic is married and has a son Novak, 12 years of age. He holds the Orders of National Liberation of Yugoslavia and Polonia Restituta.

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PREPARE FOR SEAWAYS ACTION: Formation of a new directorate in the Department of Transport responsible for the planning and development of Special Projects, was announced on October 19 by the Minister of Transport, Mr. Chevrier. The new Special Projects Branch unites the General Engineering services and the Engineering Design and Capital Construction

services of the Department under Guy A. Lindsay, who was engineer in charge. W.L. Mackenzie who was senior bridge and structural engineer of the Department has been appointed Assistant Director of the new Branch.

The Minister stated that it was essential to strengthen the engineering services of the Department in view of the possibilities of Canada being called upon at this time to take some decisive action in connection with the development of the St. Lawrence Waterways. Mr. Lindsay has been closely associated with the St. Lawrence Waterways development since 1920 and is the chairman of the Canadian Advisory Committee on the St. Lawrence Waterways Plan.

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MR. CLAXTON TO WASHINGTON N.A.T.O. MEETING:

The Minister of National Defence, Mr. Claxton, will represent Canada at the meeting of the Defence Committee of the North Atlantic Treaty Organization in Washington October 28, it was announced on October 21.

The Defence Committee, which consists of the defence Ministers of the twelve nations, has been requested by the North Atlantic Council to work out the organization of the integrated force for the defence of Western Europe. It has also been asked to recommend the steps necessary to bring this force into being at the earliest possible date.

The Council has also requested the Defence Committee to consider changes and simplifications required in the military structure of the North Atlantic Treaty Organization and related military organizations. It will also consider how best to ensure the necessary close-working relationship between the Standing Group and the member governments not represented on it.

Mr. Claxton will be accompanied by Lieutenant-General Charles Foulkes, CB, CBE, DSO, the Chairman of the Canadian Chiefs of Staff Committee, who is the Canadian representative on the North Atlantic Military Committee. The other members of the Canadian Delegation will be Hume Wrong, the Canadian Ambassador in Washington; A.D.P. Heeney, Under-Secretary of State for External Affairs; C.M. Drury, Deputy Minister of National Defence; Air Marshal W.A. Curtis, Chief of the Air Staff; Vice-Admiral H.T.W. Grant, Chief of the Naval Staff; Major-General H.F. Clark, Air Vice-Marshal H.L. Campbell and Brigadier J.D.B. Smith, as well as other officers of the Departments of National Defence and External Affairs.

At a meeting of the Organization's Military Committee on October 24, Canada will be represented by General Foulkes, Air Marshal Curtis, Commodore R.W. Bidwell, Major-General Clark, Air Vice Marshal Campbell and Brigadier Smith.

GROSS NATIONAL PRODUCT AT PEAK OF \$16,074,000,000

4 PER CENT RISE IN 1949: The gross national product of Canada reached an all-time peak total of \$16,974 million in 1949, showing a rise of four per cent from \$15,503 million in 1948, according to the annual report "National Accounts, Income and Expenditure, 1942-49," released on October 20 by the Bureau of Statistics. At the same time, national income rose by the same percentage to \$12,917 million from \$12,474 million. These figures exclude Newfoundland.

The rise in gross national product was partly the result of an advance in real production, and partly due to rising prices. With the effect of price increases removed there was a gain of approximately two per cent in the total volume of output. During the post-war years from 1946 to 1949 the value of total output, measured in current dollars, increased by 34 per cent. The rise in value was particularly rapid during 1947 and 1948 -- the years of greatest price increases. After making adjustments for price changes the increase in the real output of goods and services shows a steady gain of approximately two per cent each year since 1946.

RISE IN SALARIES

In the case of national income, the increase was mainly due to a rise in salaries, wages, and supplementary labour income, which advanced by \$543 million from \$7,139 million in 1948 to \$7,682 million in 1949. Net income of farm operators fell four per cent from \$1,567 million to \$1,509 million, the decline being mainly due to a lower volume of physical production. Investment income declined from \$2,379 million in 1948 to \$2,283 million, a decline of four per cent, which was attributable to a decrease in corporation profits.

Gross national expenditure data indicate an increase in personal expenditure on consumer goods and services from \$10,151 million in 1948 to \$10,956 million in 1949. After correction for price changes this represents an increase of three per cent in real volume of consumer goods and services purchased. Government expenditure increased by \$291 million, from \$1,797 million in 1948 to \$2,088 million in 1949, principally due to larger national defence expenditures and larger outlays by the provincial and municipal governments on public health, hospital care, maintenance of highways, education and certain capital expenditures.

Gross home investment declined \$342 million from \$3,272 million in 1948 to \$2,930 million in 1949, as a result of a drop in investment in inventories. Investment in housing rose substantially, from \$647 million in 1948 to \$753 million in 1949, an increase of 16 per cent, while investment in plant and equipment increased slightly from \$2,016 million to \$2,076 million. Inventories gained by \$609 million in 1948, indicative of the high post-war rate of inventory accumulation but, in 1949 the amount of increase was only \$101 million.

Total exports of goods and services were down slightly from 1948 to 1949 -- by \$67 million -- while imports increased by \$189 million, leaving a net foreign balance (excess of exports over imports) of \$162 million in 1949 compared with \$418 million in 1948.

PERSONAL EXPENDITURE

In 1949, personal expenditure on consumer goods and services accounted for 68 per cent of gross national expenditure, compared with 54 per cent in 1944, the peak year of war production. Government expenditures accounted for 13 per cent in 1949 compared with 42 per cent in 1944, and gross home investment in housing, plant, equipment and inventories for 18 per cent of gross national expenditure in 1949 compared with six per cent in 1944. These changes in utilization of output reflect the differences between an economy fully geared to war and the economy of 1949.

Personal income amounted to \$12,465 million in 1949, a gain of five per cent over 1948. The distribution of personal income by provinces indicated that in 1949 approximately 39 per cent of the Canadian total was received in Ontario, 25 per cent in Quebec, 19 per cent in the Prairie Provinces, 10 per cent in British Columbia, and seven per cent in the Maritimes.

The increased importance of government transfer payments as an element of the personal income total is worthy of note in 1949 compared with 1944. In 1949, approximately seven per cent of personal income was received in the form of government transfer payments (excluding interest), while in 1944 government transfer payments (excluding interest) amounted to only three per cent of the total. The increase by 1949 was mainly the result of the introduction of family allowances in 1945 and increases in unemployment insurance benefits, old-age pension payments, and veteran's benefits.

SEPTEMBER EXPORTS INCREASE TO \$279,100,000

\$192,800,000 TO U.S.: A summary of foreign trade figures for September released by the Bureau of Statistics shows an increase in Canada's total domestic exports to \$279,100,000 from \$228,400,000 in September, 1949, and a rise in estimated total imports to \$280,400,000 compared to \$221,600,000. Domestic exports to the United States rose to \$192,800,000 as against \$113,700,000, but to the United Kingdom declined to \$30,400,000 compared to \$56,900,000. Estimated imports from the United

States amounted to \$179,400,000 compared to \$158,000,000, and from the United Kingdom to \$36,400,000 as against \$21,900,000.

The import figures are only preliminary and therefore subject to revision. Final and detailed statistics of imports will not be available for about three weeks. Those for exports will be issued in a few days.

The preliminary figures on the month's foreign trade are summarized in the following table:-

	September, 1949		September, 1950	
	Domestic	Foreign	Domestic	Foreign
(Millions of Dollars)				
Exports:-				
United Kingdom	56.9	0.5	30.4	0.1
Other Commonwealth countries ..	20.8	0.1	13.9	0.1
United States	113.7	1.7	192.8	3.1
Other foreign countries	37.0	0.2	42.0	0.3
Total, all countries	228.4	2.5	279.1	3.6

	September, 1949		September, 1950*	
	Imports:-			
United Kingdom	21.9		36.4	
Other Commonwealth countries ..	15.3		22.9	
United States	158.0		179.4	
Other foreign countries	26.4		41.7	
Total, all countries	221.6		280.4	

* Estimate only. Subject to revision.

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REVIEW OF 1949 FOREIGN TRADE: Canada's per capita foreign trade in 1949 in current dollars was slightly lower than in the preceding year, but more than three times as large as in 1938, according to the review of foreign trade for 1949 released Oct. 18 by the Bureau of Statistics. In terms of constant Canadian 1948 dollars the decline from 1948 in per capita trade was slightly larger than in current dollars, due to a rise of about three per cent in average prices of both exports and imports. In the 1938-1949 comparison there was an advance of about 41.5 per cent.

Total foreign trade per capita on a current dollar basis in 1949 amounted to \$426.87, as compared with \$446.09 in 1948, and \$136.85 in 1938. In terms of constant 1948 dollars the 1949 value of trade per capita was \$413.84 as compared with \$446.09 in 1948, and \$292.53 in 1938.

Per capita domestic exports on a current basis in 1949 were valued at \$220.90 as against

\$238.72 in 1948, and \$75.11 in 1938, while on a constant 1948 dollar basis the value was \$214.26 as against \$238.72 in 1948, and \$159.46 in 1938.

Imports on a per capita basis in current dollars in 1949 were valued at \$203.79 as compared with \$204.68 in 1948, and \$60.75 in 1938, and on a constant 1948 dollar basis the value was \$197.47 as against \$204.68 in 1948, and \$130.92 in 1938.

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CHAMPION MINE KILLER: With the Canadian Destroyers, off Korea -- A Canadian destroyer, H.M.C.S. Sioux, is laying claim to the unofficial title of champion mine killer of the United Nations destroyer fleet. The Sioux, commanded by Cdr. Paul D. Taylor, of Victoria, has knocked off eight mines in recent weeks, four during the Inchon invasion period and another four in the past few days.

BUSINESS

Operating revenues of Canadian railways climbed to a new record for July, standing at \$85,115,749, an increase of \$12,894,007 or 18 per cent over July last year. Operating expenses, while heavier, rose by only five per cent or \$3,071,909 to \$71,727,505, a record exceeded only by July, 1948, which included over \$10,000,000 in back pay. Net operating revenue was \$13,388,244 for July, an advance of \$9,822,098.

The gross factory value of products manufactured by Canada's motor vehicle industry reached an all-time peak value of \$485,757,000 in 1949 as compared with \$398,057,000 in the preceding year, an increase of nearly 22 per cent. The number of cars, trucks and buses made during the year was 292,584 -- also a record high -- as compared with 263,760 in 1948.

The Canadian aircraft industry turned out aircraft and parts to the value of \$61,099,075 in 1949, up 34 per cent from the 1948 total of \$45,600,172. Assembly plants accounted for \$55,277,272 of the 1949 aggregate as compared with \$40,777,948 a year earlier, while the value of products of parts plants only was \$5,821,803 compared with \$4,822,224.

Dollar volume of wholesale sales in Canada in August -- excluding Newfoundland -- was 18 per cent higher than in July, and 17 per cent above August, 1949. Cumulative sales for the first eight months of the year were four per cent above the comparable period of 1949. The general unadjusted index of wholesale sales for the nine lines of trade covered by this monthly survey, on the base, average for 1935-39=100, stood at 369.5 for August as compared with 314.1 for July and 317.2 for August last year.

Production of coal in September amounted to 1,495,000 tons, showing a decline of 14 per cent from the September, 1949 output of 1,747,084 tons, according to preliminary figures. Cumulative total for the first nine months of this year was 13,282,068 tons, slightly below the 13,283,585 tons produced in the similar period of 1949.

CONSTRUCTION CONSULTANT: The Minister of Trade and Commerce, Mr. Howe, on October 18, announced the appointment of Richard G. Johnson, Ottawa, as construction consultant for the Canadian Commercial Corporation. Mr. Johnson's services have been made available on loan by the Canadian Construction Association, of which he is General Manager.

NATIONAL NOTES

The appointment of a new air attaché to Czechoslovakia has been announced by R.C.A.F. headquarters. Group Captain M.G. Doyle, 37, of Jacquet River, N.B., will replace G/C Robert A. Cameron, of Oak Lake, Man., in Prague. G/C Cameron, 40, has returned to Canada and will take command of R.C.A.F. station Rockcliffe, Ontario.

The Minister of National Defence, Mr. Claxton, has announced new opportunities for potential Navy, Army and Air Force officers. The move is made to fill officer vacancies caused by a forty per cent expansion in the three services. Men in the ranks are to be screened for possible officer material and officer training in the Universities is to be expanded. Men picked from the ranks will get University training or technical training in trades. University officer training is to be widened to include non-veterans and students in engineering and science who wish to work with Canada's Defence Research Board.

Brig. John M. Rockingham, CBE, DSO and bar, commander of the Canadian Army Special Force, has been awarded the Efficiency Decoration for long service, Army Headquarters has announced.

Robert G. Newton, U.K. drama expert, has been selected to adjudicate the 1951 Regional Festivals by the Dominion Drama Festival.

An R.C.A.F. North Star was loaded with combat troops and given an official send-off by U.S. Military and Governmental figures on October 24 at McChord Field, near Tacoma, Washington, in observance of the fifth annual United Nations Week. Among those who took part in the ceremony were the Governor of the State of Washington, the Mayor of Tacoma, and high ranking officers of the USAF and the Military Air Transport System which is directing the huge U.N. airlift.

CBC TRANSMISSIONS TO RUSSIA: The International Service of the Canadian Broadcasting Corporation will shortly start regular daily transmissions to Soviet Russia. This will add Russian to the 12 languages in which the Service is now broadcasting. These transmissions will add a Canadian contribution to the broadcasting into the USSR being carried on by the BBC and the Voice of America.

Some adjustments in the programme schedules of the International Service will be necessary, but it is felt that this new additional means of bringing information from the outside world to the people of Russia fully justifies the changes.

The Russian Service will begin as soon as the necessary language staff has been assembled and trained. At present two half-hour periods daily are contemplated.

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INCREASED DEMAND FOR LABOUR: Employment conditions at the end of September contrasted sharply with the situation last year at this time. This September, labour demand continued to increase throughout the month, particularly in the forest industries and in manufacturing, the Minister of Labour, Mr. Gregg, announced on October 23. Last year, there were few job openings in manufacturing, and the labour requirements of the logging industry were at their lowest postwar level. Applications for employment at National Employment Service offices this September have been steadily declining; in the same month last year, the labour surplus was growing, and registrations at employment offices increased by 6,000. On September 28, 1950, there were 133,100 registrations for employment on hand, 18,500 below the total at the first of the month, and 10,000 below the total on the corresponding date in 1949.

SKILLED WORKERS

The demand for skilled workers in the metal trades is particularly strong. Vacancies reported to local employment offices in manufacturing areas for such occupations as machinists, tool and die makers and welders exceed application from qualified workers. These new job openings occur at a time of peak labour requirements in agriculture and construction. This increase in labour demand in manufacturing is the result of the accelerated defence programme, at a time when production of automobiles, refrigerators and other consumer durables with a large steel content is continuing to expand. Employment is also increasing in manufacturing industries outside the iron and steel group, among them sawmills, canning factories and some textile plants. Many primary textile firms which until recently were on the short work week have returned to full time operations.

Employment in the construction industry is at very high levels, and more workers are being hired in an effort to advance projects as far as possible before the cold weather sets in.

Base metal mines have increased their output in response to the heavy demand in both Canada and the United States.

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(Cont'd. from p. 1) CANADA-U.S. ECONOMIC ACCORD

become necessary. At its last meeting on August 8, 1950, in Ottawa, the Committee drew up the Statement of Principles which has now been confirmed by both Governments.

SUGGESTS A.P.N. NAVIES VISIT CANADA: A suggestion by Rear-Admiral E.R. Mainguy, during H.M.C.S. Magnificent's visit in Rotterdam over the past weekend, that navies of the Atlantic Pact Nations might come to Halifax in the not too far distant future for combined exercises in Atlantic waters was received enthusiastically in Netherlands naval circles.

The suggestion was made at a press conference on board the Magnificent and had no official label tagged to it, but the newsmen received it as an excellent idea. Admiral Mainguy told reporters he hoped units of the Dutch Navy would find it possible to make a return visit to Canada and went on to say he would like to see all Atlantic Pact Fleets get together for a work-out. Halifax, he said, would make an ideal base for combined exercises.

During the Magnificent's five-day stay in Rotterdam, her 1,200 officers and men were welcomed sincerely by the Hollanders, who hold a deep love for Canadians which stems back to the Canadian Army's role in the country's liberation in the Second World War. At Amsterdam the destroyers Huron and Micmac were equally received with open arms.

The Netherlands visits set a precedent in that senior and commanding officers of the squadron were received by the country's royalty.

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PASSAMAQUODDY REPORT: In a report issued on October 25, the International Joint Commission states that additional information is required before it can reach a conclusion as to whether any one of the plans for the development of tidal power at Passamaquoddy Bay, in Maine and New Brunswick, is practicable, and is desirable from the point of view of public convenience and necessity.

Answering the respective questions under reference, the Commission reports, first, that the additional information is required; second, that the cost of the additional investigation is estimated at \$3,900,000, or possibly less; and, third, that the costs of the investigation should be divided in proportion to the benefits each country would derive from the project.

The Commission said, in part.

"The critical feature, in making use of the large quantities of energy in the tides at Passamaquoddy Bay which is potentially available for conversion into electric energy, lies in the dams and as to whether or not these dams can in fact be built at the particular locations required and at a cost which is economically practicable.

"The question of the practicability of the construction of these dams depends principally on the foundation conditions at the respective sites. Adequate information in this connection to permit conclusions to be reached is not at present available...."

UN ANNIVERSARY DAY

MR. ST. LAURENT'S TRIBUTE TO UN: The Prime Minister, Mr. St. Laurent, on October 23, sent the following telegram to the Secretary-General of the United Nations, Mr. Trygve Lie, to mark the occasion of United Nations Day, October 24:

"The fifth anniversary of the coming into being of the United Nations marks the end of another year of progress for the United Nations. The goals of universal peace and prosperity still lie ahead but it is the firm conviction of the Government and people of Canada that these goals can be approached by steadily enlarging the area of international co-operation and goodwill. Support for the ideals, purposes and activities of the United Nations remains a foundation of Canadian policy.

"I should like to take this opportunity on behalf of the people of Canada of paying tribute to the great contribution that you have made towards the fulfilment of the promise of the United Nations Charter. May I also send my own personal greeting to you and to the members of the United Nations staff."

ANNIVERSARY DAY STATEMENT

On October 24, United Nations Day, Mr. St. Laurent issued the following statement in Ottawa.

"Today, peoples of all nations are commemorating the fifth anniversary of the coming into being of the United Nations, an experiment in international co-operation unique in the history of the world. This anniversary is of special significance, since it comes during a critical period of test for the United Nations. In Korea, during the past few months, the principle of collective security under the United Nations Charter has been successfully maintained by the use of forces from member countries acting in accordance with the Charter. Meeting this callous and deliberate aggression has given heart to threatened people in other areas. A constructive settlement in Korea, the basis of which has already been laid in the United Nations, will mark a most encouraging step in the search for security and peace.

"In other fields the area of international co-operation grows steadily larger. The United Nations and its Specialized Agencies are expanding their efforts to raise living standards, improve world health, and open new avenues of trade. Many great tasks lie ahead, of course. Poverty, sickness and ignorance still prevail in many areas, offending the collective conscience of the world and breeding the mistrust and unrest which so often lead to

war. It has been a disappointment that certain countries have refused to associate themselves with this work of constructing a better world. Canada, however, has supported, and will continue to support these United Nations activities."

On October 24 the United Nations flag flew for the first time from Parliament Hill in Ottawa.

* * * *

CANADA TO ARM NETHERLANDS DIVISION: The Cabinet, on October 25, approved immediate shipment to The Netherlands of the armament equipment for an infantry division. The amount involved represents a portion of the \$300,000,000 appropriated by Parliament for aid to Canada's European partners in the North Atlantic Treaty Organization.

Most of the shipment being transferred to The Netherlands has been in storage at No. 25 Ordnance Depot at Longue Pointe, Quebec. The equipment is in first-class order and most of it is crated or packed and ready to go. In some cases modifications to bring equipment up to latest design are being made in Canada before shipment.

The Minister of National Defence, Mr. Claxton, said the transfer was decided on by Cabinet following advice received from the North Atlantic Treaty Organization. Mr. Claxton first announced the offer in Parliament last September.

AMBASSADOR'S APPRECIATION

"An important consideration was that following the war Canada sold The Netherlands the equipment for two divisions to offset the occupational expenses due the Dutch Government," said Mr. Claxton. "The Dutch forces are consequently familiar with this type of equipment and maintenance; supply and spare parts problems are simplified. I have already heard from The Netherlands Ambassador here how appreciative they are. This forms another bond between our two friendly countries."

Mr. Claxton said that arrangements were being worked out with the United States Government for purchase of equivalent equipment of U.S. design. Where it was economical to do so, this might be made in Canada, but the quantities we needed would generally not be sufficient to justify the delay of tooling up in Canada and the higher unit costs of manufacture of smaller quantities.

As soon as these arrangements have been satisfactorily completed and the shipment is under way, Canada would make a similar offer regarding the equipment of another division, Mr. Claxton added.

It is expected that the shipment will be made in two vessels, the first to leave Montreal by mid-November and the other from Montreal or Halifax at a later date.

Free CWB



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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S PEACE PROPOSALS AT UN: In a statement on October 30 on the Soviet Peace Resolution before the First Committee, the Secretary of State for External Affairs, Mr. Pearson, speaking as Chairman of the Canadian Delegation to the United Nations General Assembly, suggested certain steps which might be taken by the Communist States. Such steps, he suggested would help to remove western fears over the lack of co-operation which marked Soviet foreign policy, and might begin to establish mutual confidence. These steps would be:

"(1) The Soviet Union should immediately join in the work of the United Nations specialized agencies devoted to such things as health, food and agriculture, instead of boycotting that work as at present. Also the Soviet Union - so rich and powerful - should bear its share of the burden of assistance to under-developed countries and of relief and rehabilitation in ravaged countries like Korea.

"(2) The Soviet Union should cease the policy of isolating its people, its culture, its progress, from any contact with the non-communist world; should give its people an opportunity to learn for themselves that we are not all capitalist exploiters, imperialist warmongers, and gangsters; while we in our turn, should be given the opportunity to convince ourselves that the great, flourishing

energies of the Soviet people are being solely devoted - as we are told - to the work of peaceful construction...."

Referring to the annual recurrence at the Assembly of a general debate on the essentials of peace, and noting headline reproductions of such Soviet phrases as "unbridled slanders," "dirty insinuations," "nonsensical babbling," and "maddened yelps of warmongers," Mr. Pearson offered this further peace proposal of his own: "It is a two-year moratorium on bellicose and violent speeches about peace at the United Nations, and a two-year attempt to do something effective about peace."

The Minister proceeded, in part:

"The Soviet Resolution contains an appeal to the permanent members of the Security Council to work for peace and to conclude a pact. While we must be, of course, in favour of renewed effort to reach agreement by every form of consultation, we should not forget that peace lies not primarily in pacts, but in the hearts of men and the policies of states.

"In this matter of consultation as in other matters, we should come down out of the clouds and face certain hard facts. What kind of consultations are envisaged? Experience has shown that some forms may accomplish nothing. Indeed, they may do more harm than good by raising hopes that are later dashed and by creating despair out of failure of great expectations.

GUARANTEE CODFISH PRICE: The Minister of Fisheries, Mr. Mayhew, announced on October 26 that the federal Government would guarantee Newfoundland fishermen an initial payment of \$7.00 per quintal for genuine Labrador codfish of the 1950 catch.

The decision was made by Cabinet when it became clear that without help large stocks of fish would remain in the hands of fishermen.

The plan, which removes the threat of serious hardships this winter for fishermen and their families, has the support of members of the Newfoundland Salt Codfish Association. The Association has agreed to handle the fish, estimated at 150,000 quintals, without profit to themselves and to turn back to the fishermen any additional returns that might accrue on sales to be made.

It is expected that the final sale of all fish will be sufficient to provide for a later additional payment to the fishermen.

LARGE CARRYOVER FROM 1949

The Minister said the Newfoundland fisheries entered the present season with a large carryover of 1949 fish which naturally affected prospects for this season's sales. The plan for the Labrador fish will assure the fishermen of immediate initial payments for this season's catch and will also move the fish from fishermen to merchants' warehouses for further processing. Merchants must get the fish immediately so that the Newfoundland Associated Fish Exporters Limited -- the exporting agency -- can make sales contracts.

The Government moved to relieve the Newfoundland situation following an impasse in negotiations between representatives of the fishermen and the Newfoundland Salt Codfish Association. The two groups, as is customary each year, met to make price agreements. Two such meetings in October failed to bring about an agreement.

The export marketing of the fish covered by this plan will be a matter of arrangement between the federal Government and NAFEL, taking into account the needs of relief agencies as well as the normal markets and also the interests of other Canadian exporters of salted fish not covered by this plan.

The problem of Labrador fish in future years will have to be met by the Newfoundland industry itself, the Minister said.

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STRIKE LOSSES DOWN: Time loss due to work stoppages arising from industrial disputes during September, 1950, was only a fraction of the time lost during the previous month, when time loss was abnormally large due to the nationwide rail strike, according to a monthly summary of strikes and lockouts issued by the Minister of Labour, Mr. Gregg.

Preliminary figures for September, 1950, show 20 strikes and lockouts in existence involving 15,902 workers with a time loss of 38,376 man-working days as compared with 19

work stoppages in August, 1950, with 129,787 workers involved and a time loss of 1,053,000 days. In September, 1949, there were 25 strikes and lockouts involving 8,588 workers with a time loss of 67,933 days.

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NEW PRAYER BOOK FOR TROOPS: A new, 200-page book for use at divine services in the Armed Forces is being printed and will be ready in time to accompany Canada's Special Force soldiers overseas and when they sail. Lt.-Col. C.F.G. Stone, MBE, Director of Army Chaplain Service (Protestant) said on October 28.

A far cry from the prayer book and hymnal used during the Second World War, the new edition contains the order of service for church and drumhead services, a lengthy section of prayers, two communion services, order of service for military funerals, some 250 hymns of the type popular with soldiers and 50 song selections for use in worship. The volume also contains a foreword by the Very Rev. J.W. Woodside, DD, of Ottawa, President of the Canadian Council of Churches.

Issued under the auspices of the Canadian Council of Churches, the book was compiled by chaplains of the Navy, Army and Air Force who worked overtime that the new edition might be ready in time to accompany the Special Force. Original plans called for completion and publication of the book in 1951.

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THE NETHERLANDS' THANKS: Thanks to the people of Canada for shipment to the Netherlands of armament equipment for an infantry division, were expressed on October 27 in a letter from A.H.J. Lovink, Netherlands Ambassador to Canada, to the Minister of National Defence and Acting Secretary of State for External Affairs, Mr. Claxton.

The text of Mr. Lovink's letter:
"Royal Netherlands Embassy October 26, 1950.

"Dear Mr. Minister,

"I have the honour and privilege to inform you that I am instructed by my Government to transmit to your country and people the grateful feelings of The Netherlands at the news that the Canadian Cabinet has approved the immediate shipment to Holland of the armament equipment for an infantry division, which was so generously made available by Canada to its European partners in the North Atlantic Treaty Organization and which has now been assigned to my country.

"Indeed, Mr. Minister, it is felt by my Government that this very happy event will once again underline the significance of the close and intimate ties between both our countries and peoples, not only as partners in the organization of the Atlantic Pact but also as partners in the spiritual bond of friendship and goodwill which was so unshakably cemented when Canadian arms liberated Holland.

"The Government and the people of The Netherlands have the fervent wish that these new Canadian arms, in their hands, may contribute to bring about the peace which our countries and our world cherish and stand for."

* * * *

MANUFACTURING PEAK IN 1949: The estimated gross factory value of products manufactured in Canada in 1949 was \$12,378,731,000 -- an all-time peak total -- as compared with \$11,876,790,000 in the preceding year, an advance of \$502,000,000, according to a preliminary report on manufactures in Canada released by the Bureau of Statistics. Approximately 10 per cent of the year's increase is accounted for by the inclusion for the first time of manufacturing plants in Newfoundland.

Employees engaged in manufacturing were estimated at 1,159,315, slightly above the previous year's total of 1,156,006, while the estimated salary and wage payments aggregated \$2,566,104,000 as against \$2,409,809,000 the year before. The cost of materials used in the process of manufacture was \$6,764,896,000 as against \$6,632,881,000 a year earlier.

Out of 17 industrial groups listed in the report, only two had a lower gross factory value of production in 1949 than in 1948. The food and beverage group of industries -- largest of the 17 groups -- had a gross value of production of \$2,872,336,000 in 1949 as compared with \$2,839,531,000 the year before. Next were iron and steel products at \$1,408,912,000 compared with \$1,320,527,000; paper products, \$1,091,666,000 compared with \$1,061,359,000; transportation equipment, \$1,062,903,000 compared with \$941,483,000; non-ferrous metal products, \$865,398,000 compared with \$844,598,000; and wood products at \$824,407,000 compared with \$838,939,000.

In addition to general statistics for the 17 major groups, the report contains for the first time preliminary data on gross value of products, cost of materials, employees, salaries and wages, and cost of fuel and electricity for individual industries, and for the first time provides preliminary information on the production of 1,000 important commodities or commodity groups.

* * * *

END STATE OF WAR WITH GERMANY: The Department of External Affairs announced on October 26 that, having regard to the desirability of bringing the Federal Republic of Germany into closer association with the community of free nations, the Government has decided to take the necessary action in Canada to terminate the state of war with Germany, as soon as it is in a position to do so.

Such action will be quite distinct from any final settlement that may be concluded with Germany and it will in no way affect Germany's obligations in respect of such matters as debts and claims.

DEPARTMENT STORE SALES RISE: Department store sales in Canada in September, excluding Newfoundland, totalled \$78,312,000, an increase of three per cent over last year's September figure of \$76,146,000. During the first nine months of the year, sales advanced to \$572,127,000 from \$565,427,000 in the similar period of 1949, or by one per cent.

Sales in September were higher in all provinces except Manitoba and Saskatchewan. Ontario's total -- largest in dollar value among the provinces -- was up from \$27,916,000 to \$29,117,000, while in Quebec there was a gain from \$12,197,000 to \$13,294,000. In Manitoba the value fell from \$11,372,000 to \$11,259,000, but was up in British Columbia from \$9,226,000 to \$10,028,000. The total for the Maritimes advanced slightly from \$5,598,000 to \$5,648,000, and Alberta's total rose from \$5,065,000 to \$5,263,000. The value for Saskatchewan was down from \$4,772,000 to \$3,703,000.

Most changes in sales volume in September as compared with a year earlier differed little from the overall increase of three per cent for all departments, the exceptions being a 24 per cent rise in household appliances and electric supply sales and a 17 per cent increase in radio and music department sales. Furniture sales were up five per cent. All declines in sales volumes were of moderate proportions.

* * * *

INCREASED AUTO ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits increased five per cent in September over the same month last year, while in the first nine months of this year, entries were four per cent above the similar period of 1949. Increased entries were recorded in all areas in September except Nova Scotia and Manitoba, while in the nine months there were declines in Nova Scotia, Manitoba and the Yukon Territory.

The total number of entries in September was 277,381 as compared with 264,467 in September last year, bringing the cumulative total for the nine-month period to 1,778,716 units as against 1,717,534 in the same months last year.

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MORE DWELLINGS COMMENCED: Starts on the construction of new dwelling units in July exceeded the number of completions for the fourth successive month, resulting in a further substantial rise in the carry-over of dwellings in various stages of construction at the end of the month.

The number of dwellings on which starts were made in July was 10,245 as compared with 9,086 in the corresponding month last year, raising the total for the seven months ending July to 52,394 from 49,285 in the like 1949 period. Completions in July rose to 6,853 from 6,588 a year earlier, but were down in the seven months to 42,821 from 46,326.

SEES NEED FOR AID TO UNIVERSITIES

MR. ST. LAURENT'S U. OF T. ADDRESS: The following is an excerpt from the address of the Prime Minister, Mr. St. Laurent, at the Autumn Convocation, University of Toronto, on October 27:

"Mr. Arnold Toynbee has pointed out in a recent article that, if the Communists continue in their present course, 'we may see them rouse the Western World to cure itself of the faults for which the Communists denounce it, and to fulfil, in our own Western way, any admirable aims that are on Communism's official agenda.'

"Of course it is not the intention of the Communists to push our Western civilization into putting its house in better order, but there are increasing grounds for believing that is what they may be accomplishing.

NEED FOR ARMED STRENGTH

"The so-called 'iron curtain' has failed to conceal from the Western world the wide disparity between the theoretical aims of Communism and the actual social accomplishments of Communist totalitarianism, and the number of those in the Western World who are deceived by Soviet propaganda diminishes week by week. But the military strength of Communist Russia and the policies of its masters in these post-war years have convinced all but the blindest among us that the only hope of immediate security for the rest of the world lies in building up armed strength sufficient to be an effective deterrent to the potential aggression of this latest military tyranny.

"Moreover, I think we all recognize, after the terrible experiences of this twentieth century, that a third world war, no matter how complete our ultimate victory, could not fail to be a major disaster for civilization. If war should come between those who profess the gross materialism of Communist ideology and those who accept the moral ideals of our Christian civilization, I am firmly convinced that the powers of evil, like the gates of Hell, would not prevail. But such a struggle, regardless of the outcome, would itself be a disaster. Consequently all of us who are seriously concerned about the preservation of civilization simply have no choice but to do our part in providing the absolutely indispensable insurance against that disaster. Our first duty to civilization is, therefore, the provision of sufficient military strength, including the industrial strength on which real military strength today is based, to make the risk of starting another war a risk not worth taking.

"For the last two years, the building up of that deterrent strength through the North Atlantic Alliance and, more recently, through the United Nations action in Korea, has been the first preoccupation of the Government of Canada and of the governments of the free

nations with which we are associated. The provision of effective insurance against another world war is likely to continue to be one of our main problems for a good many years to come.

"This policy of insurance through strength, in these times of rapid technological advance, is bound to make tremendous demands upon our universities to provide scientific and professional training and also the higher kinds of technical training. These demands are particularly severe in a country like ours, which is developing new resources at such an amazing rate, and it is very important that all these demands should be met, and met adequately. In meeting them, the universities are performing essential, national services.

TERMS OF DECADES

"But we have to recognize at the same time that there is another side to the preservation of civilization. It will never be enough to have sufficient strength to deter or restrain the external enemies of civilization. The task of keeping alive and flourishing the civilization we are organizing ourselves to protect may not be quite so urgent in the short run, but it is equally vital if we are thinking not in terms of one or two years but of one or two decades.

"A free civilization cannot be preserved behind an iron curtain, however strong. And I doubt if anyone believes that there can be any enduring civilization without freedom for individual men and women....

"...we have only begun the task of preserving civilization when we have provided security against the forces of barbarism from without. We must also provide security against the influences of barbarism we have found in the midst of our civilized communities. To preserve civilization, we have to nourish the spirit within.

"Our Western world has accepted the doctrine that men and women have the right to choose - and to dismiss - their governments for themselves; and to order their affairs as they see fit. It is evident, therefore, that if we are to preserve civilization, we must keep alive in our populations an attachment to the values of civilization; and we must make sure that the benefits of civilization are available to the many and not reserved for the few.

"We cannot neglect the less fortunate in our own midst, nor can we ignore the plight of nations less fortunate than our own. The preservation of civilization requires us to help those untold millions, most of them in Asia, to improve their standards of life and to achieve a situation they will feel it is worthwhile to defend. Despite our relatively small population, we have advantages here in Canada which fit us to contribute effectively to a combined effort to convince the less

fortunate peoples that even on the material plane the free world has more to offer than Communism. It is not without significance that Canada should have furnished the first Director for the Technical Assistance Programme of the United Nations....

"The Universities are, without question, among the most precious of our national institutions. Now I recognize, and I believe most Canadians recognize, the wisdom of the provision of our constitution which made education perhaps the most important of all those subjects entrusted to the provincial authorities. This provision was designed primarily to safeguard both of the two cultural traditions which we Canadians possess and which, year by year, we are coming to cherish more and more, as we realize how greatly they enrich our national life. The entrusting of education to the provincial authorities has the further advantage of providing a measure of insurance against too great a degree of uniformity in our educational systems. No one with any real respect for our history and tradition would wish to disturb that constitutional position. At the same time, I think many of us recognize increasingly that some means must be found to ensure to our universities the financial capacity to perform the many services which are required in the interest of the whole nation...."

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LABOUR INCOME AT RECORD HIGH: Continued advances in industrial employment and salary and wage payments swelled the Canadian labour income figure for July to a new all-time peak figure of \$691,000,000. This was 1.2 per cent above the previous high of \$683,000,000 in June, and 6.5 per cent higher than the July, 1949 total of \$649,000,000. The aggregate for the first seven months of this year was \$4,553,000,000 as against \$4,344,000,000 in the same months last year, a rise of 4.8 per cent.

All industrial groups shared in the rise in labour income over July last year, while in the seven months there were advances in each group except agriculture, logging, fishing, trapping and mining. The total for manufacturing advanced in the month from \$214,000,000 a year earlier to \$231,000,000, and in the seven-month period from \$1,490,000,000 to \$1,547,000,000. In utilities, transportation, communication, storage and trade, the July figure stood at \$182,000,000 as compared with \$172,000,000, and in the seven months aggregated \$1,208,000,000 against \$1,150,000,000.

The finance and services group total in July reached \$148,000,000 compared with \$142,000,000 in July last year, and in the January-July period totalled \$1,019,000,000 as against \$933,000,000. The construction figure for July was \$54,000,000 compared with \$49,000,000, and in the seven months amounted to \$308,000,000 compared with \$280,000,000.

Labour income in agriculture, logging, fishing, trapping and mining in July increased

to \$52,000,000 from \$51,000,000 in July, 1949, but declined in the seven-month period to \$315,000,000 from \$326,000,000. Supplementary labour income for July amounted to \$24,000,000 as compared with \$21,000,000 a year ago, and in the cumulative period totalled \$156,000,000 against \$140,000,000.

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WHEAT CROP 430,000,000 BUSHELS: Canada's prairie wheat crop this year is now placed at 430,000,000 bushels as against 337,000,000 last year, according to specially prepared estimates by the Bureau of Statistics. The crop of oats stands at 255,000,000 as against 190,000,000, and barley at 157,000,000 bushels against 109,000,000.

Due to adverse weather conditions over wide areas of the Prairie Provinces, the grain harvest has been extremely late this year, and the Bureau considered it desirable to make this special survey of the production of major prairie grain crops based on conditions on October 1 when a good proportion of the harvesting and threshing had been completed in most sections.

Combining the results of this special survey with the September estimates for the remaining provinces, total Canadian production of wheat this year is placed at 465,000,000 bushels, oats at 419,000,000 bushels, and barley at 171,000,000 bushels.

The October 1 estimates place Manitoba's wheat crop at 50,000,000 bushels, oats at 67,000,000 bushels, and barley at 54,000,000 bushels. The estimated production of wheat in Saskatchewan stands at 263,000,000 bushels, oats at 116,000,000, and barley at 47,000,000. Alberta's wheat crop is estimated at 117,000,000 bushels, oats at 72,000,000, and barley at 56,000,000 bushels.

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MILK PRODUCTION DOWN: Estimated quantity of milk produced on Canadian farms in August was one per cent lower than in the same month last year, the month's output amounting to 1,730,000,000 pounds as compared with 1,751,000,000. Advance statements received from dairy correspondents for September point to a sharp decline in milk production as compared with a year ago. During the first eight months of this year, estimated production totalled 11,536,000,000 pounds, a decline of 29,000,000 from the similar period of 1949.

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CHEMICAL INDUSTRIES DIRECTORY: The Bureau of Statistics has issued an 82-page directory of the chemical industries of Canada. The present volume, which is based on information available at the beginning of this year, contains an alphabetical list of chemicals and allied products made in Canada together with the names of Canadian head office addresses of the firms which produce them.

LABOUR FORCE ANALYSIS: Canada's civilian labour force has not kept pace during the last year with the expansion of its civilian non-institutional population.

According to the latest survey of the labour force by the Bureau of Statistics, Canada's total civilian non-institutional population 14 years of age and over increased 374,000 to 9,717,000 in the week ending August 19 this year (excluding Newfoundland, 139,000 to 9,482,000) from 9,343,000 a year earlier, when Newfoundland was not included in the quarterly survey. During this period the civilian labour force rose to 5,324,000, including 114,000 for Newfoundland, from 5,253,000, the total for the other nine provinces thus decreasing by 43,000.

Of the total labour force in August this year, the number with jobs totalled 5,221,000 (5,115,000 excluding Newfoundland) as compared to 5,155,000 in August last year, an increase of 66,000 including Newfoundland but a decrease of 40,000 excluding that Province. On the other hand, the number of persons without jobs and seeking work increased only to 103,000, including Newfoundland, from 98,000, and excluding Newfoundland was down to 95,000. The latter figure is the lowest for the nine Provinces shown in any of the surveys since September, 1948.

AGRICULTURAL LABOUR

Over the year, Canada's agricultural labour force -- which is not materially affected by the inclusion of Newfoundland -- declined by 85,000, from 1,238,000 to 1,153,000, decreases being shown in all regions. On the other hand, the non-agricultural labour force increased from 4,015,000 last year to 4,171,000 including Newfoundland, and to 4,065,000 excluding Newfoundland. There were increases in the latter in Ontario and the Prairie Provinces and decreases in the Maritime Provinces, Quebec and British Columbia.

This year's late spring and harvest, the Bureau's bulletin observes, may have distorted the year to year comparison of the agricultural labour force. But allowing for this factor, the stability of the labour force in the face of an increasing population suggests a greater than normal withdrawal or non-entry of students, married women and older persons. The "group without jobs and seeking work", that is, persons wholly unemployed, remains very small and consists for the most part of those caught between jobs.

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MR. SHINWELL HERE NOV. 3-6: When the Minister of National Defence, Mr. Claxton, leaves Washington to return to Ottawa on November 3, he will be accompanied by Right Hon. Emanuel Shinwell, Minister of Defence for the United Kingdom, and His Excellency W. Fockema-Andree,

Secretary of State for War for The Netherlands. Both Ministers are visiting Canada on Mr. Claxton's invitation and will be in this country from November 3-6 inclusive.

Extensive itineraries in Ottawa, Montreal, Trenton and Kingston have been arranged for the visitors.

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PARTIALLY TO RESTORE B.W.I. MARKET: The Minister of Trade and Commerce, Mr. Howe, announced on October 30 a liberalized dollar import programme which will go into effect in the British West Indian colonies on January 1, 1951. This marks the successful conclusion of discussions with the United Kingdom authorities and the Colonial Governments, in consultation with the United States. The plan should result in substantial benefits to Canadian exporters whose markets in the British West Indies have been severely curtailed during the last three years.

The new import plan will insure that Canadian exporters can obtain import licences in the British West Indies for either 50% or 33-1/3% of their average exports to the individual colonies during the base period 1946-47-48. The percentage which will apply will depend upon the commodities involved.

TO RECOVER PORTION OF TRADE

Mr. Howe pointed out that during the base period Canadian sales to the West Indies reached a very high level, and the essential purpose of the plan is to provide Canadian exporters with an opportunity for recovering a portion of the export trade which existed at that time. The plan does not, however, guarantee a market, since the Canadian exporter must first find a willing buyer. Neither does it impose a ceiling, since those territories which are already licensing imports in excess of the guaranteed minimum level may continue to do so.

The procedure will be administered by the Export Division of the Department of Trade and Commerce, which is mailing full details of the plan to all Canadian firms known to be interested in trade with the British West Indies.

"It is particularly gratifying," Mr. Howe stated, "that I am able to announce this encouraging development in a market which has such close traditional ties with Canada, and which has long been of such great interest to businessmen both in the British West Indies and in this country. The way has been opened, but energetic sales efforts by Canadian exporters will still be required to insure that full advantage is taken of the opportunities provided."

The colonies concerned are Jamaica, Trinidad, Barbados, British Guiana, British Honduras, Leeward Islands, Windward Islands and the Bahamas.

CONTROL CREDIT BUYING TO CHECK PRICE RISE

FROM NOVEMBER 1: Instalment sales will be subject to regulation on and after November 1, 1950, the Minister of Finance, Mr. Abbott, announced on October 29.

After careful consideration the Government has decided to impose a moderate degree of restraint on the use of consumer credit as one means of helping to check inflationary pressures arising from mounting defence expenditures. The restrictions are intended to result in some change in existing consumer credit practices, but they are less severe than those which were imposed during wartime. They will be varied as required by changing circumstances.

Consumers are going into debt on an increasing scale in order to buy goods, thus adding to the upward pressure on prices, said Mr. Abbott. It is in the interests of all Canadians to check this tendency by appropriate restrictions.

THE CONSUMER CREDIT ACT

The new Consumer Credit Regulations are imposed under The Consumer Credit (Temporary Provisions) Act passed at the last session of Parliament.

For automobiles, motorcycles and other motor vehicles, the purchaser is required to pay 33-1/3% of the cash price at time of delivery. The value of trade-in may be counted as part of the down payment with respect to motor vehicle purchases.

When other goods are purchased on the instalment plan, the minimum down payment is 20%; but not less than \$5.00. If a trade-in is involved, the value of the trade-in is first to be deducted from the cash price and the 20% minimum down payment applied to the remainder.

The sale contract for all classes of goods must specify full payment in regular instalments in not more than 18 months. In no case is the instalment payment to be less than \$5.00 per month or \$1.25 per week. Special provisions are included to enable the terms of payment to be varied to meet the circumstances of farmers, fishermen, and others whose income is subject to seasonal fluctuation.

All goods are covered by the Regulations with certain exceptions. Some of the more important exceptions are real estate, stocks, bonds, securities, goods for professional or business use, buses, trucks, implements and

equipment used exclusively in farming and fishing, and building materials.

In order to provide for equality of treatment and to avoid circumvention of the restrictions on instalment sales, similar terms are applied to loans made by banks and other lending agencies for the purchase of goods. For example, a loan for the purchase of an automobile cannot exceed 66-2/3% of the cash price and must be repaid in regular instalments within 18 months.

It has been necessary to make special provision for the regulation of a comparatively new kind of consumer credit, known as revolving credit accounts, permanent budget accounts, budgeted charge accounts, etc. A person who buys goods under such a contract must undertake to pay at least one-sixth of the maximum permitted amount of indebtedness every month, or one twenty-sixth every week.

ORDINARY CHARGE ACCOUNTS

Ordinary charge accounts are not being regulated at the present time. This form of consumer credit is not usually subject to rapid fluctuations and has shown little change over the past few months. If necessary, of course, the powers contained in the Consumer Credit Act will be used to regulate payments for goods purchased on charge accounts. In particular, appropriate steps will be taken if attempts are made to delay payment for goods purchased on charge accounts in order to evade the regulations applying to instalment sales.

Mr. J.G. Bertrand, formerly on the staff of the Wartime Prices and Trade Board, with practical experience in the field of consumer credit, has been appointed as Administrator of Consumer Credit.

The Minister expressed appreciation of the help received from trade associations and officers of loan companies and finance companies in preparing the Regulations. "Insofar as possible we have tried to meet the views of those whose business operations will be affected by the Regulations. We have tried to make the Regulations simple and to reduce the amount of paper work to a minimum. I am confident that both business men and consumers will cooperate with the Government in applying the Regulations. It is in everyone's interest to check inflationary pressures at the source and to avoid the use of more drastic controls.

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VISCOUNT ALEXANDER STAYING ANOTHER YEAR:

The Prime Minister of Canada, Mr. Louis S. St. Laurent, announced on October 28 that His Majesty the King had been graciously pleased to approve the extension of the term of Field Marshal Viscount Alexander of Tunis, K.G., as Governor General of Canada for an additional

year from the spring of 1951. Mr. St. Laurent added that he was sure the people of Canada generally will share the gratification of his colleagues and himself that Lord and Lady Alexander have found it both pleasing and convenient to agree to this extension of their stay in Canada.

NORTH ATLANTIC TREATY ORGANIZATION MEETINGS

MR. CLAXTON'S PREVIEW: At the important meetings at Washington of the North Atlantic Treaty organization; participating nations are represented by their Defence Ministers and most of their Chiefs of Staff. The following is the partial text of a statement made by the Minister of National Defence, Mr. Claxton, at a Press Conference in Washington on October 27:

"Preparatory meetings began last week with the representatives of the Defence Ministers. They were attended by Mr. C.M. Drury, Canadian Deputy Minister of National Defence, who returned to Ottawa to report to me.

"The meeting of the Military Committee of the Chiefs of Staff began October 24. The Canadian delegation was headed by Lieutenant-General Charles Foulkes, Chief of the General Staff and Chairman of the Chiefs of Staff Committee, accompanied by Commodore R.E.S. Bidwell, for Vice-Admiral Harold Grant, Chief of the Naval Staff, and Air Marshal W.A. Curtis, Chief of the Air Staff.

MILITARY COMMITTEE MEETINGS

"Members of the Military Committee continued their meetings Thursday. The Defence Committee of the Defence Ministers will begin meeting on Saturday, October 28.

"Not directly related to the North Atlantic Treaty meetings, but of the utmost importance in Canadian defence preparations was the ceremony yesterday attended by the Minister of Trade and Commerce, Mr. Howe, and Hon. W.S. Symington, Chairman of the National Security Resources Board, to formalize the arrangements between the U.S. and Canada regarding defence procurement, which have been under discussion for some time. The principles underlying Canadian-U.S. industrial defence mobilization co-ordination were agreed upon during the visit to Ottawa last August of Hubert Howard, who was at that time Chairman of the Munitions Supply Board of the United States

"After my arrival in Washington yesterday (October 26), I conferred with other members of the Canadian delegation and members of the Embassy staff.

"Today I had conferences successively with General George Marshall, U.S. Secretary of Defence; Hon. F.P. Matthews, U.S. Secretary of the Navy; Hon. Thomas K. Finletter, U.S. Secretary of the Air Force; and Hon. Frank J. Pace, Jr., Secretary of the Army.

"General Marshall is giving a dinner for

the Defence Ministers this evening.

"The Defence Committee meetings beginning Saturday are expected to last through Monday, when the Defence Ministers will meet the President.

"Next Tuesday, Wednesday and Thursday the Defence Ministers and Chiefs of Staff will visit U.S. defence establishments at Wright-Patterson Field, Dayton, Ohio; Aberdeen Proving Ground and Naval Proving Ground, Dahlgren, Va.

"The current North Atlantic Treaty meetings in Washington are dealing with questions referred by the Council of Foreign Ministers, which met in New York on September 26. The Defence Committee will: (1) Work out the organization of the integrated force for the defence of Western Europe; (2) Recommend the steps necessary to bring this force into being at the earliest possible date; (3) consider changes and simplifications required in the military structure of the North Atlantic Treaty organization; (4) consider means to ensure the necessary close-working relationship between the standing group and the member governments not represented on it.

SIGNED APRIL 4, 1949

"The North Atlantic Treaty was signed on April 4, 1949. Canada ratified it, May 3, 1949 - the first member nation to do so. The Treaty came into effect on August 24, 1949. The first meeting of the Defence Committee was held on October 5, 1949, in Washington; the second at Paris on December 1, 1949, and the third at The Hague on April 1, 1950. This is the fourth meeting

"In addition to North Atlantic Treaty questions, I expect to deal with a number of other matters during my current visit to Washington. These include: (1) Participation of the Canadian Army Special Force in Korea; (2) Transfer of equipment to the Netherlands; (3) Arrangements for its replacement, partly by purchase from the United States; (4) Questions relative to joint defence of North America; (5) Further steps in standardization relating to aircraft, ships and weapons of all kinds; (6) Steps to be taken following the exchange of notes yesterday on Canadian-U.S. industrial defence mobilization; (7) Further organization of our Joint Staff Mission in Washington; (8) Further arrangements for co-operation in civil defence."

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MR. A.R. MENZIES TO JAPAN: The Department of External Affairs announced on October 27 the appointment of Mr. Arthur R. Menzies as Head of the Canadian Liaison Mission in Japan. Mr. Menzies has been the Head of the American and Far Eastern Division of the Department of External Affairs since April 1, 1949. In Japan

he will succeed Mr. E.H. Norman, who returned to Canada a few days ago and is now on home leave.

Mr. Menzies was born in China on November 29, 1916. He studied at the Canadian Academy, Kobe, Japan, 1930-35. He graduated from Victoria College, University of Toronto, with the

degree of B.A. and from Harvard University with the degree of M.A.

Mr. Menzies joined the Department of External Affairs in July, 1940. He was posted to the Canadian Legation in Havana in April, 1945 as Second Secretary. He returned to Ottawa, and in May, 1946, was appointed head of the Far Eastern section of the American and Far Eastern Division. In April, 1949, he became Head of that Division.

Mr. Menzies was a member of the delegation to the Meeting of Commonwealth Foreign Ministers in Colombo, Ceylon, in January, 1950.

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EXPORTS TO U.S. AT PEAK: Canada's domestic exports to the United States in September reached the highest monthly value in the history of Canada-United States trade, with gains spread throughout the nine main commodity groups. There was a marked advance also in exports to Latin America and small increases to Europe and British Commonwealth countries in Oceania. These gains were only partly offset by declines in the value of shipments to the United Kingdom and the remaining Commonwealth and Foreign countries, the total to all countries rising substantially above the two previous months and the average for the previous eight months.

Merchandise exports to the United States in September were valued at \$192,790,000, up from \$167,100,000 in August and nearly 70 per cent above the value of \$113,701,000 in the corresponding month last year. The high September total this year may be due to some extent to the movement of shipments delayed by the nine-day rail strike in late August. The cumulative total for the first nine months of the year moved up 40 per cent to \$1,433,083,000 as against \$1,024,304,000 a year earlier. Shipments to the United States accounted for 69 per cent of the total to all countries in September as against 49 per cent a year ago.

General gains were shown in the value of commodities shipped to the United States in September. The largest increase in the month was in the wood and paper group which rose from \$53,876,000 to \$100,626,000 -- much the highest monthly level ever reached. Other groups which rose substantially were: non-ferrous metals from \$13,451,000 to \$24,632,000; animals and animal products from \$17,840,000 to \$23,888,000; and iron and products from \$6,408,000 to \$12,745,000.

Exports to the United Kingdom were about two-fifths lower in the month, being valued at \$30,439,000 as against \$56,948,000 a year earlier, and in the nine months were down to \$344,069,000 from \$525,989,000. Declines among the commodities were almost general during September. Only two groups -- non-ferrous metals, and non-metallic minerals -- moved to higher levels than last year, but the former group was considerably less than in August.

Shipments to Commonwealth countries in

America were down in the month to \$2,563,000 from \$3,505,000, and to those in Africa were lower at \$3,483,000 from \$4,942,000. The decline in the latter was due for the most part to a reduction in exports to the Union of South Africa. To the Asiatic group of Commonwealth countries the total fell from \$6,979,000 to \$2,594,000. India and Pakistan and the Federation of Malaya accounting for most of the decline. Shipments to Oceania rose in the month from \$4,080,000 to \$4,510,000, exports to Australia being higher and those to New Zealand lower.

Exports to Latin American countries rose again in September (for the third month in succession) from \$8,708,000 a year ago to \$16,441,000, shipments to all major markets being higher in value.

September exports to foreign countries in Europe rose from \$17,847,000 to \$18,205,000, marked gains to Belgium and Luxembourg, and Italy, and declines to France, Germany, Norway and Sweden being the principal changes. Shipments to other foreign countries were lower in the month at \$6,193,000 against \$7,810,000.

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MR. CHEVRIER TO CIVIL AVIATION INDUSTRY

The Minister of Transport, Mr. Chevrier, told a luncheon audience of the civil aviation industry at Montebello, Que. on October 31, that insofar as civil air transport is concerned, plans have already been blueprinted to "take care of problems as they arise" in the event of a national emergency.

Speaking before the largest gathering that an annual meeting of the Air Industries and Transport Association has ever attracted, Mr. Chevrier told the airlines operators that a national emergency would increase the demands on their facilities, and emphasized that maintenance of civil air services "would be essential to the national economy."

The Minister of Transport endeavoured to answer the many enquiries of the commercial air operators "who are wondering about the role of the airlines in relation to the growing emphasis on national defence". He attempted to answer such enquiries by indicating the lines which he thought would be followed.

"Transportation in time of war is of course a vital industry. Air transport becomes exceedingly important as the speediest means of communication in the rapid tempo of a wartime economy. Demands on most airline and regular services would probably increase rather than diminish, and the maintenance of these services would be essential to the economy."

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CANADA SAVINGS BONDS: Reports for eleven days of selling show payroll savings purchases of Canada Savings Bonds surging ahead for a total of \$97,166,500. Average application by employees was higher than ever before at \$235.70.

CANADA AT THE UNITED NATIONS

MR. LAPOINTE ON SPAIN: On October 31, the United Nations ad hoc Political Committee approved a resolution which would allow Spain to belong to such special UN agencies as the World Health Organization and which also called for the rescinding of the 1946 UN recommendations that all member countries withdraw their Ambassadors or Ministers from Madrid. The vote in Committee on October 31 was 37 in favour of the resolution, including Canada, 10 against and 12 abstentions.

In discussing the resolution in the Committee on October 28, Mr. Hugues Lapointe, Representative of Canada, spoke in part as follows:

FREEDOM OF THOUGHT

"...Many of us, and I may confidently say the vast majority of us, do not subscribe to the totalitarian theory of government. We firmly believe that such a theory of government does not take into account the fundamental aspirations of mankind for freedom of thought and freedom of action. It is, in fact, a direct negation of the intrinsic worth of the individual human personality. Accordingly, we cherish the hope that the Spanish people may, by some measure of association with the democratic nations of the world, begin to enjoy more fully those indispensable freedoms which we have for so long been accustomed to regard as our basic birthright.

"But these are considerations which, it appears to the Canadian Delegation, lie outside the scope of the present draft resolution. It is intended neither to endorse nor to denounce the political system by which the people of Spain are being governed today...."

In discussing the operative sections of the resolution, Mr. Lapointe said, in part:

"...I need hardly emphasize that the act of accreditation of a head of mission is one initiated solely in the interests of the accrediting nation and does not carry with it any implication of approval of the domestic policy followed by the Government of the receiving State.

"Furthermore, it should be obvious that the interests of the accrediting nation require most careful attention in the case where the Government of the receiving State is in general disfavour. The task of safe-guarding these

interests is merely rendered more difficult by depriving the Embassy or Legation of its accredited head, who alone has access to the highest officials of the receiving State....

"....Paragraph 2 of the joint draft resolution would rescind the recommendation that Spain be debarred from membership in international agencies established by or brought into relationship with the United Nations. When this recommendation was put to the vote in December 1946 the Canadian Delegation opposed it and the views of the Canadian Delegation in this respect have not changed.

"The Canadian Government has always considered that membership in the specialized agencies should be determined solely on the basis of whether or not the participation of a state would serve to extend the scope and increase the effectiveness of the activities of those agencies, and that each application for membership should be dealt with on its merits by the agency concerned.

DETRACTED FROM EFFICIENCY

"It appears to us that the decision of the General Assembly to exclude Spain from participation in the work of the specialized agencies has only served to restrict their fields of operation and, consequently, has detracted from their technical efficiency. It is obviously to the advantage of all states members of the United Nations that Spain should be enabled to accept the obligations and restraints imposed by membership, as well as the benefits which such membership would confer upon the Spanish people.

"In the view of the Canadian Delegation universality of membership should be the goal of the specialized agencies without reference to political considerations. By rescinding the recommendation by which Spain has been excluded from participation, the General Assembly would be endorsing the principle of universal membership and thereby promote the successful implementation of the objectives of the specialized agencies.

"In the light of the considerations I have endeavoured to put before this Committee, the Canadian Delegation will vote in favour of the draft resolution submitted jointly by eight delegations."

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There was a further increase in the Bureau's general wholesale price index to 173.6 in September from 168.5 in August, and 155.4 in September last year.

ceeding the aggregate for the full year 1949 by 3,569 units, and rising 36 per cent over last year's nine-month total of 216,867 units.

Factory shipments of Canadian-made motor vehicles during the first nine months of this year reached a total of 294,203 units. ex-

Carloadings on Canadian railways for the week ended October 21 climbed to a seasonal peak of 92,733 cars as compared with the revised total of 81,211 for the preceding week.

(Continued from p. 1)

MR. PEARSON'S PEACE PROPOSALS AT UN

"If international discussions on political problems are not carefully prepared, and the preliminary diplomatic work not thoroughly done, they may merely underline and exacerbate disagreement and leave the position afterwards worse than before.

"We think that these considerations apply with particular force to consultation with the Soviet Union. We look back upon a long series of sterile discussions and negotiations with the Soviet Union in almost every international forum, whether it be the Security Council, the Council of Foreign Ministers, the Control Commission for Germany, the Far Eastern Commission, or any other body in which Soviet foreign policy has confronted all our efforts at compromise with a resolute and resounding 'nyet'.

BASIS FOR CONSULTATION

"I venture, therefore, to suggest a few criteria which must be fulfilled before there can be any hope whatever that such talks would lead to anything. In the first place there must be a sound basis for consultation agreed on in advance. There is not, for instance, such a basis when the Soviet Union proposes, as it recently has at the meeting in Prague, that the representatives of eighteen million Germans, chosen arbitrarily by a Communist machine, should be considered on an equality with the democratically-chosen representatives of forty-five million Western Germans.

"In the second place, there must be a real willingness to compromise and a genuine desire to find just solutions to problems. This does not mean that if one party does not get its own way from the very start, it is entitled to apply the methods of a Berlin blockade.

"In the third place, the consultations must not be simply occasions for propaganda where one party harangues audiences outside the Council chamber and publishes in its own press truncated and distorted versions of what took place.

"In the fourth place, no agreement between the Great Powers must be at the expense of the interests and freedoms of other nations which are not represented.

"Above all, we must not allow talk to become the delaying substitute for agreement. And we must not forget that peace talks - in an atmosphere of dissension and distrust - may encourage the foes of peace by disarming mentally, morally and physically those who believe in peace and desire to defend it...."

Mr. Pearson denied allegations that the United States was responsible for the fear and division existing in the world today, and declared:

"The truth is that the nations of the world outside the Soviet bloc know that the power of the United States will not be used for purposes of aggressive war. They know that the policies

of the United States - though we may not always support them, or even approve them - are not designed to lead to war. If they were, they would soon isolate this country from the rest of the world....

"We in Canada know this country and its people well. We know them as good neighbours who respect the rights of others; who don't ask for or get automatic support from smaller countries through pressure or threats or promises. We know that they accept the fact that co-operation between large and smaller countries can only exist on a basis of mutual confidence and mutual respect. If the Soviet Government would permit its people to learn the truth about the United States instead of filling them with information only about the worst features of its life and culture, they would make a real contribution to the removal of that fear, which is at present being instilled, directly and deliberately, in the minds and hearts of the Soviet people..."

CONCRETE EVIDENCE

"When Mr. Vishinsky talks about the peaceful aims of Communism and Soviet policy, we remain sceptical, and we find most of his evidence to support his case false and misleading. On our side, we have lots of concrete evidence to support the other view, of the aggressive, expansionist, war-like aims of Soviet and international communist policy.

"But let the facts speak for themselves. Let the map of Eastern Europe speak, let the thousands of exiles from countries that have lost their freedom speak, certainly those that are dead and in Siberia cannot speak. Let the Soviet 170 divisions and 30,000 tanks speak, confronted as they are by the few half-armed divisions in Western Europe. Let Yugoslavia, which knows something of Soviet policy and methods, and peace appeals, speak!..."

"...the free democracies are determined not to be deflected from their resolve to become stronger, not for aggressive purposes, not in order to force, at the point of the atom bomb, diplomatic decisions on the Soviet Union, but because they fear aggression and wish to put collective force behind their will for peace in order to deter and prevent it; because negotiations for peace have a better change of succeeding if the parties, not accepting each other's views, respect at least each other's strength. Permanent peace can, of course, never be ensured by power alone; but power, on both sides, not merely on one, may give a breathing space in which to pause, reflect and improve relations. This course will be attacked as power politics, but power politics are often merely the politics of not being over-powered. So it is in this case.

"The Soviet resolution objects to this. It says disarm now, at once, by one-third. That point has already been suitably disposed of by previous speakers. I would merely ask one question. In any disarmament convention, would

the Soviet Government agree that the United Nations agency set up by the Convention should have the right to go anywhere, at any time, to ascertain, by its own methods, whether a state was, in fact, carrying out its obligations under the Convention. This is quite a different matter than promising to supply the United Nations with all relevant information, but unless it were accepted, no one in the present state of international relations would believe that a disarmament pledge was, in fact, being carried out. If the contrary were true, and we could merely accept each other's word, then trust and confidence would be so great that we wouldn't need any disarmament Convention at all.

"There is a special form of disarmament referred to in the Soviet resolution, the prohibition of the use of atomic energy for war.

ATOMIC DISARMAMENT

"There will be an opportunity later to discuss this vital question in greater detail, but I would like to say a few words about it now, as Mr. Vishinsky dealt with it at some length on Saturday, when he misinterpreted, and thereby misrepresented, the plan for atomic disarmament, which has been approved by the vast majority of the members of the United Nations. He attempted to show that the principle of international ownership of atomic facilities, or international trusteeship, as it really is, would give the United Nations atomic agency 'complete unbridled power', that it was designed solely to further the interests of United States monopolies; not merely to limit, but to destroy completely national sovereignty. That is a completely false picture of the meaning and motives of international atomic trusteeship, just as the picture of the Soviet Union as the last - ditch defender of the sovereignty of small nations, including, presumably, Yugoslavia, is false to the point of being ludicrous. How false it is can, and no doubt will, be shown by chapter and verse in our later discussions on this subject.

"Mr. Vishinsky has also stated in emphatic, if somewhat ambiguous, terms, the Soviet view on inspection and control.

"We all seem to agree now that there must be effective inspection and control. We should surely also be able to agree that once we have a satisfactory international convention which embodies these principles, atomic war must be prohibited. Aggressive war is, of course, the

supreme crime, but there should be a defence against that crime which would make atomic warfare unnecessary and therefore criminal; which would make it possible to abolish the atom bomb before it abolishes us.

"This can be done as soon as we have an international convention in effect. But that will not happen unless the convention has fool-proof provisions to ensure that the obligations undertaken are being carried out, and until the machinery for that purpose - United Nations machinery - is actually in operation. Mr. Vishinsky has recently tried to remove our doubts on one aspect, but only one aspect of this control, namely inspection. I would like to ask him this simple question. Does the U.S.S.R. admit that any international agreement should include among its provisions - again let me emphasize the word 'include' (for inspection itself is not enough) - should include provisions for a strict system of international inspection by which the officials of the international authority would have the right, at any time and with or without consent of the state concerned (a) of continuous inspection of any atomic energy installation or atomic plants of any kind whatever, and (b) to search, by any means, including observation by air, for undeclared atomic energy facilities wherever the international control authority has any reason to believe they exist? This atomic energy question of such critical importance to the fate of the whole world should be given further and urgent examination by the Atomic Energy Commission, to see if the gap between the two positions can be narrowed or even closed. The possibility of such examination was removed, however, when the Soviet representative walked out of that Commission on a totally irrelevant issue. One test of Soviet good faith in this matter would be its willingness to walk back again.

"The Soviet Delegate has recently stated - more than once - to the Committee that his country sincerely desires to co-operate with all states through the United Nations, with a view to strengthening the prospects for peace. All men of good will everywhere must welcome that statement.

"Such a statement itself, however, will not remove the fear that overhangs the world today. Unlike the Delegates of communist countries on this Committee, I do not suggest that all on one side is perfect and all on the other is rotten; or that one side must take all the steps towards the reconciliation of opposing views...."

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