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WEEK'S EVENTS IN REVIEW

U.K. FOOD CONTRACTS: The following joint announcement by the Governments of Canada and the United Kingdom was made in Canada on December 8 by the Minister of Agriculture, Mr. Gardiner:

Negotiations between the British Government and the Canadian Government, which have been taking place over the past few weeks, ended on December 7 in agreement by the British Government to purchase in 1949, subject in the case of bacon and cheese to the approval of E.C.A., and by the Canadian Government to supply, the following quantities of livestock products:

<u>Bacon:</u>	160 million pounds
<u>Cheese:</u>	50 million pounds
<u>Eggs:</u>	1,533,000 cases of shell eggs, or the equivalent in the form of dried whole egg or frozen whole egg.

Prices for the first two commodities are the same as those stipulated in the relative 1948 Agreements. For eggs, the prices are slightly lower.

At the December 8 session of the Federal-Provincial Agricultural Conference, Mr. Gardiner gave additional particulars of these three new food contracts.

In the Calendar year 1949, the U.K. will buy 160,000,000 pounds of Canadian bacon at the rate of \$36.00 per hundred pounds for A Number One Sizeable Wiltshire sides. This

price is unchanged from that of the contract negotiated a year ago for delivery of 195,000,000 pounds in 1948. Next year's contract quantity will probably absorb all bacon available for export, he estimated. To make as sure as possible that the U.K. gets this bacon, export controls on pork products will be maintained with the provision that the U.K. will take delivery when it is available.

The new cheese contract is for an unchanged 50,000,000 pounds, at the same price as in 1948, which has been on the basis of 30 cents per pound, f.o.b. factory. There will be no requisitioning of cheese from factories in 1949, said Mr. Gardiner.

The 1949 egg agreement is for the equivalent of forty-six million dozen covering the eleven months period from February 1 to December 31. The adjusted volume figure of the previous agreement, covering the twelve months from February 1, 1948 to January 31, 1949, was for seventy-four million dozen.

Shipments in 1949 will be 19½ million dozen storage eggs, three thousand tons of dried egg and four thousand tons of frozen egg.

While the new contract volume is below that of 1948 it is considered that with some opening of other export markets in 1949 the quantity should be reasonably adequate to absorb the probable production in that year.

The 1949 prices will be 52½ cents per dozen for storage eggs; \$1.36 per pound for dried egg and 32½ cents per pound for frozen egg.

RAILWAY REVENUES AT HIGH: Canadian railways had record operating revenues of \$79,482,000 in September compared with \$66,136,000 in the same month last year, for an increase of \$13,346,000, or 20.2 per cent. This is the highest revenue total for any month in history. With freight volume up 4.6 per cent over September last year and rates increased, freight revenues jumped \$12,588,000 to \$63,399,000, up 24.8 per cent to establish a new peak in this phase of operations. Passenger revenues improved by 3.5 per cent or \$256,000 to \$7,590,000 and compare with \$3,127,000 in September, 1938. All other revenue accounts showed improvement over the same month last year, express increasing by \$317,000, or by 11.9 per cent, the Bureau of Statistics reports.

Operating expenses likewise registered widespread gains over September a year ago, totalling \$69,583,000 as against \$59,100,000, a rise of 17.5 per cent. Maintenance of way and structures and equipment cost some \$30,540,000 during the month, an increase of \$4,985,000 over the same month last year. Transportation expenses were up from \$28,329,000 to \$33,469,000, or by 18.1 per cent. Increased pay rolls affected all departments.

OPERATING REVENUE

Net operating revenue improved nearly \$2,963,000 to \$9,899,000 but taxes increased by \$798,000 in comparison with September, 1947. Hire of equipment and joint facilities rent eased \$43,000. Operating income advanced from \$3,105,000 to \$5,314,000.

During September the Canadian National paid \$17,299,000 in backtime pay covering March 1 - June 30 increases, and the Canadian Pacific issued \$11,786,000 extra to cover retroactive pay for the period, March 1 - July 31. The smaller lines reported \$823,000 retroactive pay.

Revenue freight carried by all railways increased from 14,905,000 tons in September, 1947 to 15,589,000 or by 4.6 per cent, while freight mileage advanced 6.3 per cent. The number of revenue passengers rose by 8,800 to 2,794,000 and the average journey was 111 miles against 109 one year earlier. Average freight receipts per revenue ton mile improved from 1.005 cents to 1.180 cents. Pay roll distributed in the month was \$43,371,000, up \$8,972,000 or 26.1 per cent, and the number of employees was 4.5 per cent greater at 184,000 compared with 176,100.

During the period January to September operating revenues of all railways aggregated \$625,475,000 compared with \$571,474,000 in the first nine months of 1947. However, expenses, including back pay and increased way rates payments, rose over \$80,000,000 in the same comparison, climbing from \$510,310,000 to \$590,993,000, and operating income dropped from \$29,919,000 in 1947 to \$6,461,000.

COST-OF-LIVING INDEX: There was no change in Canada's official cost-of-living index between October 1 and November 1. This interruption came after a series of 21 consecutive increases dating from January, 1947.

The Bureau of Statistics places the November 1 index at 159.6, unchanged from October 1, but 16.0 points above November 1 last year. From August, 1939 to November this year the increase was 58.3 per cent.

The food index fell from 205.4 on October 1 to 204.7 on November 1 as declines in meats and vegetables overbalanced further increases in egg prices; other food groups showed no appreciable changes. The decline in foods exactly balanced small advances in four other budget groups.

Homefurnishings and services moved up from 165.1 to 166.0 clothing from 181.0 to 181.5, fuel and light from 128.8 to 129.0, and miscellaneous items from 124.4 to 124.6. The rent series is computed at approximately quarterly intervals and the next reckoning will be for December 1; the latest figure is 121.0

BEER PRODUCTION LOWER: Beer production was slightly lower in October, the month's output amounting to 15,360,000 gallons as compared with 15,990,000 in the preceding month and 15,620,000 in the corresponding month last year, according to figures released by the Bureau of Statistics. During the first 10 months of this year, 152,690,000 gallons were produced compared with 143,670,000 in the similar period last year.

New spirits produced during the month amounted to 1,650,000 proof gallons compared with 1,540,000 in September and 2,360,000 a year ago, while spirits bottled -- including imported liquors -- totalled 750,000 proof gallons compared with 680,000 in September and 850,000 last year.

Stocks of distilled liquor at the end of October amounted to 68,840,000 proof gallons compared with 68,950,000 at the end of September and 59,800,000 a year ago.

FEWER CIGARETTES: Fewer cigarettes were released for consumption in October, the month's figure standing at 1,429,000,000 as compared with 1,481,000,000 in the preceding month and 1,524,000,000 in the corresponding month last year, according to the Bureau of Statistics. Releases during the first 10 months of this year totalled 13,013,000,000 as compared with 12,450,000,000 in the corresponding period last year.

Cigar releases were also lower during the month, totalling 17,900,000 as against 18,000,000 in September and 21,200,000 a year ago. Cut tobacco releases at 2,301,000 pounds were down from 2,417,000 in September and 2,499,000 a year ago, while plug tobacco at 199,000

pounds increased from 185,000 pounds in September, but fell from the October, 1947 total of 259,000 pounds.

CAR LOADINGS: Car loadings of railway revenue freight during the week ended November 27 declined to 85,320 cars from 86,961 cars for the preceding week and 85,522 cars for the corresponding week last year, according to the Bureau of Statistics. Cumulative loadings for the 48 weeks ending November 27 amounted to 1,762,107 cars as against 1,772,288 in 1947 and 1,659,176 in 1946.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on November 25 amounted to 180,142,000 bushels, up 31,944,000 bushels over last year's corresponding figure of 148,198,000 bushels, according to the Bureau of Statistics.

Deliveries from farms in the Prairie Provinces during the week totalled 4,413,000 bushels as against 3,681,000 in the same week last year, while clearances for export amounted to 4,765,000 bushels compared with 3,505,000.

UNEMPLOYMENT INSURANCE: There was an increase in the number of claims for unemployment insurance benefit filed in October. Total for the month was 43,620 as against 34,743 in the corresponding month last year, advances being shown for all provinces except Prince Edward Island, Manitoba and Alberta. At the end of the month there were 55,384 ordinary claims on the live unemployment register compared with 42,225 on the same date last year.

A total of 50,454 beneficiaries received one or more benefit payments during October, amounting to \$1,763,559 as compensation for 878,430 compensated unemployed days compared with 49,372 beneficiaries paid \$1,694,139 for 871,967 compensated unemployed days in September and 41,033 beneficiaries paid \$1,544,185 for 814,218 compensated unemployed days during October, 1947.

MOUNT NORQUAY CHAIRLIFT: The Minister of Mines and Resources, Mr. MacKinnon, will officially open the new chairlift on the east slope of Mount Norquay in Banff National Park, Alberta, during the last week in December, it was announced December 3. It is the first chairlift to be built in the Canadian Rockies and is similar to equipment used at many winter sport centres in the United States, Europe and in eastern Canada.

The Mount Norquay chairlift has a length of 3,200 feet and a vertical rise of 1,300 feet. There are 59 chairs and about seven minutes is required to make the trip from the lower terminal to the upper. Trial runs have been completed and the lift will begin operations on December 19.

The slopes of Mount Norquay have always been popular with skiers and this new equipment will further stimulate interest in skiing in Banff National Park. The Canadian, Western, and Intercollegiate ski meets are held there, and it is a favourite centre for skiers attending the Annual Banff Winter Carnival.

CARIBBEAN AIR SERVICES: On the occasion of the inauguration by the Trans-Canada Air Lines of its Caribbean Air Services, the following letters were exchanged by the Prime Minister, Mr. St. Laurent, and Sir John Valentine Wistar Shaw, Governor of Trinidad and Tobago:

His Excellency
Sir John Valentine Wistar Shaw, K.C.M.G.,
Governor of Trinidad and Tobago,
Trinidad, B.W.I.

Dear Sir John:

I have pleasure in sending you greetings on the occasion of the establishment by Trans-Canada Air Lines of direct air communication between Canada and Trinidad.

I hope that this development in mail and passenger services will do much to bring still closer the relations between this country and Trinidad.

Yours sincerely,

(Sgd.) L. S. St. Laurent.

The Right Honourable
Louis St. Laurent, P.C., LL.D., K.C.,
Prime Minister of Canada.

My dear Prime Minister:

Thank you very much for your kind letter of November 22 sending me greetings on the occasion of the establishment by Trans-Canada Air Lines of direct air communication between Canada and Trinidad.

Small islands like Trinidad are even more dependent than large continental countries on frequent, swift and reliable overseas communications both by air and sea. Our commercial, cultural and social relations with the great Dominion of Canada are already close and cordial. I share your view, Sir, that this development of mail and passenger services by a Canadian Air Line will bring these relations closer still; and I warmly welcome the inauguration of the service.

It was a pleasure to meet the distinguished company of Ministers, officials and business men who came down on the initial flight: our only regret is that their visit was so short.

Yours sincerely,

(Sgd.) J. V. W. Shaw.

(C.W.B. December 10, 1948)

LACHINE NAVIGATION CHANNEL: The joint development of the Lachine Section of the St. Lawrence River to provide for the construction of a new navigation channel, 27 feet in depth; new locks to conform with those of the Welland Ship Canal; and for an ultimate installation, of 1,200,000 h.p. hydro electric generating capacity, in the vicinity of Montreal for the full practical utilization of the power available is envisaged in a report by the five-man Board of Engineers appointed in 1947 to report on the Lachine Section of the St. Lawrence Waterway. The report was made public December 6 by the Minister of Transport, Mr. Chevrier.

Total cost of one of the joint navigation and power development schemes is estimated at \$256,114,000 with an additional \$19,000,000 should a recommendation for the construction of a 4-track railway tunnel under the river and the modification of Victoria Bridge solely for vehicular traffic be approved. An alternative joint project would cost \$266,249,000 which would retain Victoria Bridge for both railway and vehicular traffic and would entail considerable re-arrangement of railway switching and trackage on the north shore. Other projects submitted would be for the improvement of navigation alone at a cost of \$87,315,000 and one for power development alone costing \$213,942,000.

1926 REPORT REVIEWED

The Minister pointed out that recommendation for the improvement of the Lachine Section of the St. Lawrence Waterway by a Board of Engineers in 1926 has had to be reviewed in view of the many changes which have taken place along the north shore of the St. Lawrence between Lachine and Victoria Bridge and particularly in the C.N.R. trackage layout in connection with the development of the new terminals in Montreal. The 1926 report also recommended only partial development of hydro power possibilities on this stretch of the St. Lawrence River.

The four alternative projects outlined by the 1947 Board of Engineers are:

Improvement for navigation alone by building a new deep water navigation canal. Under this project, Victoria Bridge and other bridges would have to be provided with a lift span over the new canal. This canal would skirt the north shore of the St. Lawrence River between Lachine and Montreal Harbour and would have two locks 859 feet long, 80 feet wide and 30 feet deep at the sills.

Construction of a new canal together with full practical development of power is outlined in alternative projects, the differences having to do with the number of locks in the proposed canal, handling of railway traffic and different means of controlling the water for power development. The first of these projects would include construction of a single lock below Victoria Bridge to overcome the difference in water levels. Construction of a

railway tunnel under the canal and river is suggested. In so far as the power development works are concerned, under this project a dam and power house would be constructed 3,000 feet below Victoria Bridge, with dykes on both sides of the river and control works at the head of the rapids and at the outlets of the Lake of Two Mountains.

The alternative combined project would be similar except that provision is made for two locks, one above and one below Victoria Bridge, and location of the power house 3,500 feet below Victoria Bridge. This project provides for the retention of Victoria Bridge for both railway and vehicular traffic.

The fourth project outlined by the Board of Engineers would provide for the development of a power project alone, similar to that already outlined, retaining the present Lachine Canal with its limitation of 14 feet at the sills.

CLAIMS FOR RESTITUTION: The Department of External Affairs has been advised by the Office of Military Government for Germany (U.S.) that claims for the restitution of identifiable property in the U.S. zone of occupation of Germany must be filed with the Central Filing Agency, Bad Nauheim, Germany, before December 31, 1948; otherwise such claims will be barred.

Canadian citizens or persons residing in Canada who have such claims but who have not yet taken these steps, are advised to do so without delay. In so doing, they should include a statement giving a description of the confiscated property, and giving the circumstances, time and place of confiscation as precisely as possible.

Petitions should contain the names and addresses of all persons known to the claimant as having or claiming an interest in the property. The petitions should be forwarded directly to the Central Filing Agency, the Office of Military Government for Germany (U.S.), Bad Nauheim, Germany.

Further information in this matter may be obtained from the Department of External Affairs.

AID TO FLYING CLUBS: The Minister of Transport, Mr. Chevrier, on December 6 announced that Order in Council No. 5518 has been passed authorizing financial assistance by the Government to approved flying clubs or schools participating in student pilot training.

In making the announcement, the Minister stated that this new programme which will be administered by the Air Services Branch of the Department of Transport will provide for a grant of \$100 to each approved flying club or flying school for each qualified pilot turned out, and also \$100 payable to each student upon his or her qualifying for private pilot's licence from the Department.

A further cash benefit in the amount of \$100 is available under the plan to any trainee meeting R.C.A.F. reserve or the R.C.A.F. auxiliary.

Mr. Chevrier said that the Order in Council authorizes the Minister of Transport to enter into agreement with clubs, schools, and students for enrolment into an approved course of training provided that such clubs and schools are in good standing with their respective national associations.

Commenting upon the scheme, Mr. Chevrier stated that, "This new training scheme follows the introduction of the high standard of pilot licensing laid down by the International Civil Aviation Organization, which call for the introduction of much higher standards for pilot training."

"Canada's agreement with the decisions of the International Civil Aviation Organization will necessitate a completely new approach to the development of civil flying training in this country," said the Minister. "Not only will this new scheme serve to develop interest in civil aviation by our youth all across Canada, but I believe also that, as it progresses, the public will see the possibilities of increasing and developing the scope of our international trade and travel by the intelligent use of civil aircraft. It is my firm belief that we shall, in the not too distant future, come to realize the risks that would have become attendant had we left the development of civil air transportation to other states and countries."

The opening date for the new flying training scheme has been set for January 1, 1949.

MR. CHEVRIER'S SPEECH: The tremendous technical developments which have "brought us with such rapidity from the age of steam and iron into the age of the atom are also breaking down traditional divisions between peoples both in space and time," the Minister of Transport, Mr. Chevrier, said in an address at Cornwall on December 7. International collaboration or isolationism, he added, is no longer a real choice. He urged nations, working through the United Nations, to attempt to save civilization from "the immense destructive properties of the atom bomb and the guided missiles and other horrible novelties" which exist in the world today.

While the atom bomb has been established as a military weapon of the first importance, the Minister said, "evidence shows clearly that the possibilities for the beneficial peaceful uses of this form of energy are incalculable. In medicine, in chemistry, in biology, in metallurgy, in engineering, the benefits of a nuclear fuel are without number."

The Minister stated that a Canadian resolution on control of atomic energy which was acceptable to a majority of the 58 nations of the General Assembly called for "a licensing or inspection system in the case of activities

not dangerous to security" in addition to control of "activities potentially dangerous to world security". The Canadian resolution, he said, would place "all the dangerous activities in atomic energy, including the possession and distribution of material in the hands of an International Authority" with full power to inspect and supervise at its will "any non-dangerous activities which National Government may be permitted to operate."

Outlining the activities of the General Assembly meeting at Paris which he recently attended as Canada's chief delegate, Mr. Chevrier said that even in atomic control, the Soviet Government was not willing to open its frontiers freely to permit investigations being conducted to assure other nations that no secret operations of a dangerous character are being carried on. "In spite of the efforts of the western nations to find a means of accommodation with the states of Eastern Europe, to minority of the UN presents a rigid and inflexible position."

'TEEN-AGED ARTILLERY BATTERY: The accent is on youth in Victoria, B.C., where the 5th Heavy Anti-Aircraft Regiment (RF) has announced the formation of a "junior" battery in which only youths between the ages of 17 and 19 are being enrolled.

A cadet corps, comprised of youths under 17 years of age has also been formed and will be affiliated with the regiment.

The battery and cadet corps have been formed to fill the needs of young men of high school age.

New equipment has been obtained for the junior battery and training has begun in drill, gunnery, radio, driving, communications and radar. A full sports program has also been arranged to include rugby, basketball, swimming and fencing.

"PAT'S" HIGHEST PAID: The highest paid regiment in the Canadian Army will be the Princess Patricia's Canadian Light Infantry when they complete their present training at the Services' Joint Air School at Rivers, Man.

Members of the "Pats" will be eligible for a \$30 per month "cost of jumping" bonus upon completion of their training as paratroopers. The regiment will be the first in Canadian Army peacetime history to be completely trained in airborne operations and in a sense will be the counterpart of the famed wartime 1st Canadian Parachute Battalion.

Although the "Pats" as a regiment will be the highest paid field unit of the Army, individuals in the battalion will not be the best paid in the Army. They'll rate an easy second to medical and dental officers who draw \$60 per month "responsibility allowance."

But the mere fact that all members of the PPCLI will be trained in airborne operations will make them the best paid outfit in the Army.

SOLDIERS' ANNUAL CHECK-UPS: This month some 17,000 members of the Active Force of the Army are sweating out medical re-examinations and annual x-rays which, for some, may determine whether or not they remain in the Service.

The physical check-up is routine and performed each year about this time. Few, if any, soldiers are discharged as a result of the medical examinations or x-rays. Some, however, at the medical officer's suggestion, are recommended for treatment of minor illnesses which might at a later date result in lengthy hospitalization or complete loss of the man's services.

"They know it's routine and for their own good," one Army doctor said, "but many soldiers worry from the time they are warned to report for a check-up until they are passed as sound."

Some soldiers report the "medical" as being even stiffer than the complete examination given them at the time they first entered the Army. Others say it's not so tough. All agree that it's most thorough.

CANADIANS LEAVE SHANGHAI: The Department of External Affairs announced December 3 that arrangements have been made by which some eighty Canadians now in Shanghai will shortly return to Canada by air.

The principal problem which at present confronts Canadians who wish to leave Shanghai is one of transportation. The eighty persons involved in this movement are not financially distressed and are travelling at their own expense. The Department of External Affairs has arranged for the chartering of two aircraft, the obtaining of necessary landing rights for the aircraft, and the solution of certain problems of foreign exchange which have resulted from the intending passengers being unable readily to obtain United States funds in China.

The Department of External Affairs has not yet been informed by its Officers in China of the names of the passengers. The first aircraft with forty passengers aboard is expected to arrive at Vancouver between December 12 and 16.

HIGHWAYS IN 1946: An annual average of 5,200 miles have been added to Canada's network of highways during the 25 years from 1922 to 1946. The mileage at the end of 1946, according to figures released by the Bureau of Statistics was 553,000 as compared with 423,000 in 1922; an overall increase of 130,000 miles.

During this period the mileage of surfaced roads increased from 48,695 to 140,049 miles, the 1946 total comprising 121,813 miles of gravel and crushed stone surface, 8,698 miles bituminous surface, 6,931 miles bituminous pavement, 2,485 miles portland cement concrete, and 122 miles of other surfaces. Improved earth mileage was 136,870, and other earth 276,044 miles.

Total estimated expenditures by all author-

ities on the construction, maintenance and administration of Canada's highway systems and rural roads, including bridges and ferries, amounted to \$144,469,000 during 1946, an increase of nearly 72 per cent over the total of \$84,165,000 for 1945, a large part of the increase representing construction and maintenance postponed during the war years. Provincial outlays climbed from \$73,536,000 in 1945 to \$126,611,000, with construction up \$44,300,000. Federal expenditures, due mainly to the taking over of the Alaska Highway in April, 1946, from the United States Army, rose from \$1,073,581 to \$6,293,419. Municipal expenditures were also heavier, increasing from \$9,441,779 to \$11,266,811.

Expenditures on construction of roads, bridges and ferries totalled \$80,589,000 in 1946, while outlays on maintenance amounted to \$58,247,000 and on administration to \$5,633,000.

Expenditures in Ontario in 1946 totalled \$49,478,000, Quebec \$37,601,000, Alberta \$12,049,000, New Brunswick \$11,750,000, British Columbia \$9,506,000, Nova Scotia \$8,214,000, Saskatchewan \$6,323,000, Northwest Territories \$4,439,000, Manitoba \$3,644,000, and Prince Edward Island \$1,466,000.

SUGAR INDUSTRY: Canadian production of refined sugar in 1947 was 14 per cent higher than in the preceding year, amounting to 1,084,710,000 pounds as compared with 959,945,000, according to the annual review of the industry by the Bureau of Statistics.

The production of cane sugar increased by 174,281,000 pounds, and that of beet sugar decreased by 49,517,000. Granulated sugar comprised 84 per cent of the total. The price of refined sugar at the factory increased from 6.14 cents in 1946 to 7.14 cents.

The gross value of the products of the industry was \$80,194,000 as compared with \$61,182,000 in the preceding year. Salaries and wages totalling \$6,309,000 were paid to 3,003 employees as compared with \$5,011,000 paid to 2,633 employees in 1946.

There were 11 refineries in operation during the year located as follows: Nova Scotia one, New Brunswick one, Quebec three, Ontario two, Manitoba one, Alberta two, and British Columbia one.

MOTOR VEHICLE SHIPMENTS: Continuing the rise shown in the preceding month, factory shipments of Canadian-made motor vehicles in October reached the highest monthly figure since March. The month's shipments, however, were slightly below October last year.

Figures released by the Bureau of Statistics place shipments in the month at 25,057 units compared with 23,775 in September and 25,479 in October last year. In March this year the total was 27,112. During the first 10 months of this year, 210,079 units were shipped

as compared with 213,465 in the same period last year.

October shipments comprised 18,017 passenger cars and 7,040 commercial vehicles. Of the former, 13,184 were made for sale in Canada and 4,833 for export, while of the latter 5,545 were for sale in Canada and 1,495 for export.

During the 10 months ending October, 107,806 passenger models were shipped for sale in Canada and 22,003 for export. In the same period, 61,021 commercial vehicles were shipped for sale in Canada and 19,249 for export.

STEEL INGOT PRODUCTION: Canadian production of steel ingots moved to a higher level in October. The Bureau of Statistics reports that 272,127 tons were produced as against 248,622 in September and 247,171 in October last year. This was the highest since May this year, when it stood at 279,688 tons. Output for the first 10 months of this year was also above 1947, totalling 2,550,228 tons as against 2,366,682.

Daily average output in October was 8,778 tons, higher than the September daily figure of 8,288 tons, but well in advance of the daily average of 7,973 for October, 1947. The October daily average was above previous months since May, when the daily rate amounted to 9,022 tons. Daily average output for the year to date was 8,361 tons as against 7,785 in the similar period last year.

INDUSTRIAL EMPLOYMENT UP: The trend of industrial employment in Canada continued moderately upward at the beginning of October, when 19,359 larger establishments in the eight major industrial divisions reported an increase of 0.4 per cent in their working forces. The gain in number of employees was accompanied by a rise of 2.7 per cent in payrolls. The rise in the payrolls resulted mainly from the payment of higher wage rates in many establishments, together with a return to more normal working conditions following the vacation season, according to the Bureau of Statistics.

The index number of employment rose from its previous all-time maximum to 201.8 at September 1 to 202.6 at October 1, when it exceeded by four per cent the figure of 194.8 recorded at October 1, 1947. During the war years the highest index for the beginning of October was that of 187.5 in 1943. The increase indicated at October 1 took place mainly among women, for whom employment rose by 1.7 per cent. The male staffs of the reporting firms were slightly higher than at September 1.

Industrial activity generally was at a higher level than at September 1 in Quebec, Ontario, Manitoba and Saskatchewan, but curtailment was reported by leading firms in the Maritime Provinces and in Alberta and British Columbia. Industrially, there was important expansion in logging, in which the number added to the working forces approximated that at

October 1 last year.

Manufacturing, transportation and trade also showed improvement, the gain in trade being on quite a large scale. On the other hand, the trend was unfavourable in mining, communications, construction and hotels and restaurants. The losses in construction were considerable, but those in the remaining divisions were moderate. In manufacturing, the most outstanding changes were the increase of some 6.6 per cent in vegetable food processing, and the substantial contractions, also seasonal in character, in animal foods, lumber and paper mills.

The average earnings of the workers on the staffs of the co-operating employers amounted to \$41.78 at October 1 as compared with \$40.86 at September 1. The latest figure is the highest in the record of over seven years.

LIQUOR CONSUMPTION: Canadians and visitors to Canada spent a grand total of \$525,000,000 on alcoholic beverages during the 12 months ending March, 1947, the latest period for which country-wide figures are available, it is estimated by the Bureau of Statistics. More than half of this sum was returned to the federal and provincial Governments as duties, taxes and other revenue.

Direct sales by provincial Liquor Control Boards or their agents aggregated \$427,000,000. To this amount must be added the mark-up on sales by persons licensed in some provinces to re-sell certain beverages to the public, placed at \$98,000,000.

During the fiscal year ending March this year, the apparent consumption of beer and spirits in Canada was still on the increase, while the consumption of wine showed a drop. Estimated consumption of spirits during the 12 months amounted to 7,320,000 proof gallons compared with 6,543,000 in 1947; of beer, 165,743,000 gallons compared with 146,981,000; and native and imported wine, 5,214,000 gallons compared with 5,584,000.

Production of spirits during the 12 months ending March this year amounted to 28,198,000 proof gallons as compared with 21,571,000 in the preceding year. Production of beer was 173,202,000 gallons as compared with 155,801,000.

Imports of spirits advanced from 2,097,000 proof gallons in the fiscal year ended March, 1947 to 2,691,000, beer from 17,000 gallons to 37,000, but wine imports fell from 929,000 gallons to 619,000. Exports of Canadian-made spirits fell from 4,758,000 proof gallons to 3,843,000, beer from 4,109,000 gallons to 4,024,000; wine exports rose from 30,000 gallons to 41,000.

Excise and import duties, validation fees and licenses on spirits collected by the federal Government during the fiscal year ending March, 1948 aggregated \$84,945,000 (a new peak figure) compared with \$78,377,000 in the preceding year.

(C.W.B. December 10, 1948)

MR. WRONG'S ADDRESS: The Canadian Ambassador to the United States, Mr. Hume Wrong, addressed the Lions' Regional Conference Banquet at Statesville, N.C., on December 6. He touched upon the relative knowledge of the residents of each country concerning the affairs of the other, dealt with Canada's position in the Commonwealth, outlined Canada's system of Government, and concluded with remarks on the place of North America in the world of today. His comment on the projected North Atlantic Pact was as follows:

"What I hope will emerge is a treaty binding the countries which I have named, and other North Atlantic countries, to work together in peace to combat aggression, and, if need be, to fight together in War. Surely any aggressor, no matter how powerful, would think several times before taking any action which was likely to cause war with a coalition of over 250 million people controlling a very high proportion of the industrial capacity of the whole world. It seems to me that the time has come in the cold war when it must be made abundantly clear that, if a hot war begins, the free nations will be prepared, equipped, and ready to go.

"My Government has taken a leading part in publicly urging the establishment of this defensive group of free states. I should like to quote a few words from a speech last month by the new Prime Minister of Canada about this project:

"For my part, I believe that the most certain and the most practical approach to security for us is the achievement, as soon as possible, of an alliance of the North Atlantic nations. It is not enough to have right on our side; it is just as important to have the strength to defend the right. The only way to achieve that strength is for us and the other North Atlantic nations to combine our resources. We know only too well where isolationism leads. The last war proved conclusively that isolationism is no guarantee of security."

"Anything less than a North Atlantic Pact would give us no real hope of maintaining a preponderance of material and moral strength on the side of peace. And it is only if we can maintain an overwhelming preponderance on the side of peace, that we can maintain the peace."

"What I want particularly to emphasize is that we should build up our strength not for the purpose of waging war but for the purpose of preventing war."

"To undertake commitments of this nature in peacetime would be as great a departure from the traditional foreign policy of Canada as from the traditional foreign policy of the United States. Tradition is not a safe guide

for action in the atomic era. Both our countries have had to fight two great wars within thirty years. In both wars we were given, by geography, an interval of time to build our military strength while others were doing the fighting. This saving interval is not likely to be repeated again. North America, too, is no longer completely immune from direct attack. We should have learned, and I believe a great majority of our people have learned, that aggression on a great scale anywhere is in the long or short run aggression against us. Let us seek to make aggression too dangerous a venture; but if it does come let us be well prepared to keep the aggressor as far from our own continent as we can.

"Canada and the United States are, as I have said, interdependent countries. That has been recognized for a long time. What is now being realized acutely is a newer fact: the interdependence of the two sides of the North Atlantic Ocean. It is wise and urgent, therefore, to find means of increasing our joint strength, even when the means run counter to past policies and may arouse ancient prejudices. Can anyone suggest a more effective means than the early ratification of a North Atlantic Pact?"

CRUDE OIL OUTPUT: Canada's output of crude petroleum and natural gasoline in September exceeded the million-barrel mark for the fourth successive month. The month's output amounted to 1,101,000 barrels as compared with the new high record established in August of 1,245,000 barrels and 653,000 a year ago. Mainly due to the sharply increased output from the Leduc field, production during the first nine months of this year rose to 8,649,000 barrels from 5,516,000 in the similar period last year.

September output from Leduc declined from the preceding month, standing at 462,000 barrels compared with 583,000, but was greatly advanced from the 33,000 produced a year ago. Turner Valley's output was lower in September, amounting to 347,000 barrels compared with 352,000 in August and 400,000 a year ago. Total output for Alberta was 978,000 barrels against 1,104,000 in August and 557,000 in the corresponding month last year.

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1948 prices have been 54½ cents per dozen for storage eggs, \$1.46 per pound for dried egg and 35 cents per pound for frozen egg. While the 1949 prices are slightly below those of 1948 it is expected that a major portion of the reduction can be met through economics in operating and processing costs and that the necessary reduction in egg prices paid to producers will be relatively small. Such reduction should be compensated for to a considerable extent by the partial removal of restrictions on exports to other markets, said Mr. Gardiner.

WORLD WHEAT CROP: World wheat production for 1948 now promises to show an even larger increase over last year than earlier forecasts indicated, largely due to improvement in Europe.

Based on the latest available information, the world total is now estimated at 6,285 million bushels, some 35 million bushels above the September forecast and 470 million bushels greater than the 1947 crop, the Bureau of Statistics reports in its monthly review of the world wheat situation. The latest estimate also exceeds the 1935-39 average by 275 million bushels.

The upward revision from the September estimate is due principally to higher estimates for some European countries, France particularly, and to improved prospects in Australia, where harvesting began recently.

EUROPEAN INCREASE

On a regional basis, perhaps the most significant factor in the improvement this year in world wheat production, the Bureau states, is an indicated increase of 440 million bushels over the 1947 crop in Europe. However, despite this gain, the European wheat crop is still 127 million bushels below the 1935-39 average. On the other hand, production in some European countries, notably France and the United Kingdom, has exceeded the pre-war average. The improved supply situation in these countries has permitted the relaxation of many of the rigid control measures adopted during and immediately following the War in an effort to conserve available bread grain supplies. Although import requirements for current needs have been reduced to some extent in many European countries, there still exists a need to build up depleted reserve stocks and to reduce high extraction rates.

Production this year in North America, South America and Oceania is down from last year, when all-time record wheat crops were harvested in the United States and Australia, but total production in these areas, normally supplying the bulk of world wheat exports, is well above the 1935-39 average. This year's wheat crop in North America alone is 610 million bushels greater than the average for 1935-39 and only 22 million less than in 1947. A reduction of 81.1 million bushels from last year's record crop in the United States has been offset partly by increases in Canada and Mexico.

Latest estimate, with 1947 figures in brackets, shown in thousand bushels, is as follows: North America, 1,696,000 (1,718,000); South America, 245,000 (325,000); Europe, 1,465,000 (1,025,000); U.S.S.R. (Europe and Asia), 888,000 (875,000); Asia, 1,650,000 (1,517,000); Africa, 150,000 (130,000); Oceania, 190,300 (224,300); total, 6,285,000 (5,815,000).

TENDERS ACCEPTED: On behalf of the Minister of Finance it was announced at noon, December

9, that Tenders had been accepted for the full amount of \$75,000,000 Government of Canada Treasury Bills due March 11, 1949. The average discount price of the accepted bids was \$99,-89744 and the average yield was .412%.

RETAIL SALES UP: Canada's retail trade took a sharp upturn in October when consumers spent 14.5 per cent more for merchandise than in October last year and 12 per cent more than in September this year. These results are based on reports from chain and independent stores in 14 kinds of retail business reporting to the Bureau of Statistics. The increase in sales for the first 10 months of this year amounted to 11 per cent above the similar period of 1947. Unadjusted indexes of sales, on the base 1935-39=100, stood at 290.6 in October, 258.8 in September and 253.9 in October, 1947.

Department stores, variety stores and women's apparel shops led all other trades from the standpoint of percentage gain over October last year. October increases were more than 20 per cent for each of these trades. The increases have also been prominent for these trades throughout the earlier part of the current year; their cumulative gains for the 10 months ending October ranged from 14 per cent to 18 per cent, and ranked highest among trade increases.

Food stores reported an average sales increase of 14 per cent, a gain similar to that in the 10-months' comparison. Men's wear and family clothing stores showed increased activity when October gains of 13 per cent in each exceeded their average increases of nine per cent for the year to date. The demand for furniture and hardware merchandise was shown when these trades increased nine per cent and 14 per cent, respectively in October as compared with smaller gains of three per cent and nine per cent in the 10-month period.

Candy stores maintained an even level, the October increase of one per cent comparing with a decline of one per cent in the cumulative period over a year ago.

Regional increases for October ranged from a high of 19 per cent in the Prairie Provinces to eight per cent for the Maritime Provinces. Gain for Ontario was 17 per cent, British Columbia 14 per cent and Quebec 10 per cent. In the January-October comparisons, increases varied, reaching a high of 14 per cent in Ontario and a low of seven per cent in the Maritime Provinces.

FARM LABOUR CONFERENCE: "The loss of labour from farms to urban centres must be made up if agricultural production is to be maintained," Arthur MacNamara, Deputy Minister of Labour, stated at the opening of the Sixth Federal-Provincial Farm Labour Conference in Ottawa on December 9.

Mr. MacNamara said that the shortage of farm labour in 1949 would probably equal that

of 1948. After all available domestic labour has been used, the shortage would have to be made up by immigration. The Deputy Minister explained that the first Displaced Persons brought to Canada had been single men -- the ones most easily placed in jobs. However, there were many married men who would make desirable immigrants but who were reluctant to leave their families.

Mr. MacNamara outlined a plan to settle such people in Canada. He advocated sending a questionnaire to the farmers of Canada to determine their needs for immigrant farm labour, whether single men, single girls as domestics, or families. An effort would be made to persuade farmers to accept complete family units for employment on their farms.

The Deputy Minister paid tribute to the Displaced Persons presently in Canada. A very high proportion of these were fulfilling their contracts and had caused the very minimum of trouble to federal and provincial Governments.

The Conference was addressed briefly by Commissioner C.A.L. Murchison of the Unemployment Insurance Commission. Mr. Murchison urged the delegates to make it their business to investigate and spike the malicious rumours about Displaced Persons which were still being circulated.

W.W. Dawson, Supervisor, Immigration and Farm Placement Division of the Department of Labour, is acting as Chairman of the Conference.

DEATH OF MR. ROY: The Prime Minister, Mr. St. Laurent, on December 10, issued the following statement on being informed of the death of the Hon. Philippe Roy:

My Colleagues and I have learned with the deepest regret of the death of Mr. Roy, and we

extend to his widow and to the other members of his family our sincere sympathy.

Mr. Roy had a long and distinguished career in the service of Canada, both at home and abroad. He was a member of the Senate of Canada until 1911 and represented Canada in Paris for twenty-seven years, first as Commissioner General and later as Envoy Extraordinary and Minister Plenipotentiary. As a mark of the esteem in which he was held in France, he was named an Honorary Citizen of Paris.

Mr. Roy also represented Canada on numerous occasions at the meetings of the Assembly and of the Council of the League of Nations.

In recognition of Mr. Roy's distinguished service, he was appointed in 1926 to the King's Privy Council for Canada.

FARM LABOUR CONFERENCE: The Minister of Labour, Mr. Mitchell, announced December 8 that agriculturalists from all parts of Canada are to meet at a two-day session of the Sixth Federal-Provincial Farm Labour Conference which opens in Ottawa December 9.

The Agenda includes discussions of seasonal and international farm labour movements, immigration and Displaced Persons, and 1945-50 federal-provincial farm labour agreements.

NAVY CHIEF VISITS WASHINGTON: At the invitation of Admiral Louis E. Denfeld, U.S.N., Chief of Naval Operations, United States Navy, Vice-Admiral H.T.W. Grant, C.B.E., D.S.O., R.C.N., Chief of the Naval Staff, will visit Washington, December 8 to 11, it was announced December 7 at Naval Headquarters.

In addition to calls on Naval authorities in Washington Vice-Admiral Grant will visit the United States Naval Academy at Annapolis, Md.