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WEEK'S EVENTS IN REVIEW

CANADA ON CZECH QUESTION: Following is complete text of the statement made by General A. G. L. McNaughton, the Canadian Permanent Delegate to the United Nations, New York, in the Security Council on Wednesday, March 31, on the Czech question:-

The representative of Chile, in the view of the Canadian delegation, has performed a valuable service in bringing this matter to the notice of the Security Council. It is proper that the very grave charges contained in his letters of 12th March and 16th March should be most carefully examined in the Council. If it were established that the coup in Czechoslovakia, by the Communist minority, was in fact as alleged in this letter "effectuated successfully only because of official participation of representatives of the Union of Soviet Socialist Republics and the threat of the use of military force of the Union of Soviet Socialist Republics which were held in readiness on the northeast boundaries of Czechoslovakia", then clearly a serious violation of the Charter would have occurred.

Such a violation is of direct and immediate concern to every member of the United Nations, and any member State, therefore, is abundantly justified in requesting the Security Council to examine the allegations which have been made and to endeavour to establish the facts in the case, what did happen in Czechoslovakia in the month of February? From the discussion which

has taken place in the Council to date I must confess that we have not added substantially to the specific information already available to the members as a result of newspaper despatches which were sent out from Prague at the time. A number of pertinent questions have been asked in the Council but no satisfactory answers have so far been given. Instead, we have heard counter charges and reference to the motives of those who have been trying to establish the facts in the case.

What are the facts? That is what the Council should endeavour to establish. The Council should not of course prejudge the case. The assertions regarding the events in Czechoslovakia have been made and, if they are true, must be a matter of the greatest concern to those who cherish the Democratic way of life. It is, therefore, our first responsibility to know whether, in fact, these assertions are true or false. At the risk of going once again over some familiar ground I shall mention some of the salient features which have been brought out regarding the alleged events which took place in Czechoslovakia last February. The first step was the formation of a National Front Government in which the Communists held several of the key Ministries, which included not only the Office of the Prime Minister but also the Ministry of Information, which provided control over the radio and press; also the Ministry of the Interior, which gave them

SPECIAL CADET CAMP: Fifty young members of the Royal Canadian Army Cadets will be selected from units in the five army commands across Canada to attend a special cadet camp in the area of Banff, Alta., this coming summer, it was announced Thursday at Army Headquarters in Ottawa.

Selection will be in the nature of an award to outstanding cadets for their keenness and efficiency during the preceding 12 months, and will undoubtedly act as a spur to all cadets to achieve perfection in all branches of their training. In like manner the Air Force rewards merit in its cadets with flights around the country and even to the United Kingdom, and the Navy has ocean cruises and training at sea for its Sea Cadets.

The camp at Banff will last for three weeks and 60 per cent of the training program will be devoted to organized sports, swimming, fishing and trail trips through some of the world's finest scenery. The rest of the time will be taken up with advanced cadet training such as setting up and operating wireless stations, fieldcraft, map readings schemes and compass marches.

Quotas for attendance at the camp, which have been allotted to each army command on the basis of cadet population, are five for Eastern Command, 14 for Quebec, 18 for Central, six for Prairie and seven for Western. Boys selected will be escorted to Banff and back to their homes by Active Force non-commissioned officers from the cadet administrative and training staff, and the camp itself will be organized and operated by Canadian Army Active Force officers and N.C.O.s.

WINTER TRAINING: The Canadian Army, in numerous post-war winter exercises, has laid low the age-old myth that troops operating in the field in the dead of winter are "up against it".

The unofficial word, following study of reports of several cold-weather trials conducted during the past months, is that troops, properly dressed and well fed, are not hindered in their training by sub-zero temperatures.

As casually as they took to the hot, fever-ridden Mediterranean climate in The Second World War, Canadian soldiers have adapted themselves to a more rugged one nearer home -- that of an Arctic winter. Proof that they are catching on fast is contained in a report on Reserve Force soldiers who trained recently in the snow-covered bush country of Wainwright Park. The report reveals that sunburn claimed more soldier-victims last summer than did frostbite in the coldest months of the past winter.

"NORTHERN PAY": Regulations governing the payment of special allowances to members of the Canadian Army posted to northern areas have been eased and the qualifying period halved, it was learned in Ottawa this week. New Regulations, effective February 19, state that officers and men of the Active Force now will be eligible for "northern pay" after 30 days in the far north. An earlier ruling had set the basic qualifying period at 60 days.

The allowances are in addition to all pay and allowances normally accorded the serviceman. Married personnel whose families are living with them on northern stations get a monthly living allowance of \$49.17, plus \$37.50 if not living in Government quarters and \$38.33 if rations are not provided. Single men, or married men whose families are not residing in the area specified, draw a living allowance of \$31.67 per month plus \$30 and \$38.33 if quarters and rations are not provided.

ARMY-AIR LIAISON: Major-General J.M. Gavin, former commander of the famed U.S. 82nd Airborne Division and present Deputy Commander of the U.S. Fifth Army, Chicago, told 52 students of the Canadian Army Staff College at Kingston that airborne operations would play a major part in any future conflict.

Speaking on future trends in airborne equipment and technique, the 40-year-old General emphasized the importance of Army-Air liaison and stressed the growing magnitude of defence in the air.

Later, General Gavin awarded Colonel W. Clement Dick, Director of the Staff College, the U.S. Legion of Merit (Degree of Officer) for "extraordinary fidelity and exceptionally meritorious conduct" in fostering wartime cooperation with the United States Forces.

I.C.A.O. CONFERENCE: Further progress in standardizing the qualifications for pilots, flight crews and ground personnel engaged in international air transport is the aim of the third session of the Personnel Licensing Division of the International Civil Aviation Organization which opened in Montreal Tuesday. The session is expected to last three weeks.

Subjects to be discussed will include further study of the personnel licensing requirements which were not completed at the two previous sessions of the Division, such as requirements for senior commercial pilots and medical requirements for personnel licences. Some of the contracting states of ICAO, who have made considerable progress in the science of aviation medicine, have signified that some revision of the medical requirements for personnel licences is desirable. For instance,

recent research work carried out at the Medical Examination Centre for flight personnel in Paris, has revealed that the application of the hearing requirements drawn up at previous sessions of the Division might result in the rejection of a large proportion of pilots after 3,000 - 4,000 hours of flight.

INTERNATIONAL STANDARDS

New subjects to be discussed at the meeting include proposed international standards for pilots of private and commercial gliders, for pilots of airships and for pilots of helicopters. Consideration will also be given to the desirability of establishing a grade of non-piloting aircraft commanders. Experience has shown that many airline captains at the comparatively early age of 45 either cease their active employment in aviation or accept appointments outside aviation. This loss of valuable piloting experience might be reduced if airline transport pilots could be permitted to continue in command of aircraft, keeping their judgment and experience available for command decisions, in spite of being no longer physically qualified in all respects for the actual operation of the aircraft controls. The Division will first consider whether there is a real need for such a grade of non-piloting aircraft commander before attempting to recommend detailed requirements.

A major task of the Division is to standardize the curricula of approved courses for training aeronautical personnel. This standardization is required because experience has shown that the qualifications required for the issue of personnel licences can be more readily and speedily acquired by applicants who undergo closely supervised, systematic and continuous courses of training conforming to a planned syllabus.

The achievement of such uniformity will promote the international standardization of personnel licensing requirements.

RAIL RATE INCREASE: The Board of Transport Commissioners announced their decision Tuesday, March 30, on the Application of the Railway Association of Canada, made on behalf of its member Railway Companies, for authority to make a general increase of 30% in the freight tolls and rates, which are subject to the jurisdiction of the Board, except on coal and coke. On coal and coke the railways asked for authority to increase the rates by a specified amount per ton, on a sliding scale.

The Board authorized the railway companies to make a general advance in freight rates of twenty-one per cent, with the exception of the items particularly mentioned under.

On coal and coke a flat increase of twenty-five cents per ton throughout is authorized.

The railway companies, subject to the jurisdiction of the Board, are authorized to

publish and file tariff schedules, in accordance with the Board's findings, on not less than three days' notice.

The minimum charge for a single less than carload shipment between any two stations will be 100 lbs. at first class rate but not less than seventy-five cents.

Recognized differentials via rail, water and rail routes are to be preserved as far as may be practicable, even though certain rates via differential routes may be lower or higher than would otherwise prevail if such rates were subjected to the increases authorized.

The Board made provision for the disposition of fractions, in calculating the rates.

RATES EXCLUDED

The Board's authorization for increased rates and charges does not include the following:-

(1) Rates on grain and flour moving from all points on all lines of railway west of Fort William to Fort William and Port Arthur and Armstrong. These are statutory rates and are sometimes referred to as "Crows Nest Pass" rates.

(2) Rates on grain and flour from all Prairie points on all lines of railway to Vancouver, Prince Rupert and other British Columbia and Coast ports for export.

(3) Rates on grain and grain products for domestic consumption between points in Western Canada and rates on feed grain published in C.F.A. Tariff 145, C.T.C. 154.

(4) Joint international rates between Canada and the United States of America which were increased as a result of decisions of the Interstate Commerce Commission (U.S.A.) in Ex Parte 148, 162 and 166.

(5) Rates between United States points passing through Canada and referred to as overhead rates.

(6) Export and Import rates which are presently on a parity with rates to or from United States ports.

(7) Demurrage and Penalty Charges.

(8) Agreed Charges entered into between the carriers and the shippers under the provisions of The Transport Act, 1938.

These Agreed Charges are left to be dealt with in accordance with the various agreements which contain provisions for their termination. The parties may then negotiate with regard to the agreements upon a modified basis.

On the motion of the respondent provinces, made in these proceedings, the Board issued Order No. 69612, dated October 17th, 1947, suspending until further Order of the Board certain freight and express competitive tariffs of tolls and supplementary tariffs which the railways and express companies had filed with the Board, on thirty days' notice, with the object of increasing the rates in said Competitive Tariffs of Tolls. The said rates which it was proposed to increase are lower than normal rates and had been put in to meet water and motor truck competition.

The Board directs that its said Order No. 69612, dated October 17th, 1947, be rescinded.

The judgment provides that, - The Railway Companies subject to the jurisdiction of the Board will be required to continue to furnish to the Board monthly statements of their operating revenues, operating expenses and operating income and should the Board, at any time, be of opinion that a greater amount of money is being paid to the Railway Companies than is actually necessary to enable them to maintain a reasonable degree of operating efficiency, the Board reserves the right, at any time, on notice, to readjust the rates to meet the conditions then existing. On the other hand, should the amount of advance in rates authorized prove to be insufficient, the railways can always apply again.

Mr. Hugh Wardrope, Assistant Chief Commissioner, in a separate judgment finds from his view of the evidence and calculations that the applicants should be permitted to raise the rates subject to increase by twenty-four per cent rather than the twenty-one per cent arrived at by the majority.

STORE SALES UP: Department store sales were three per cent higher in February than in the corresponding month last year, and had an average increase of nine per cent for the first two months of this year. Unadjusted indexes of sales, on the base 1935-39=100, stood at 195.1 for February, 192.2 for January and 189.3 for February last year.

Gains in Quebec, Ontario and the Prairie Provinces were about on a par with the average increase for the Dominion as a whole. The volume in British Columbia was up 10 per cent, while sales in the Maritimes declined nine per cent. Increases outnumbered decreases among the results for the various departments, but the increases were moderated somewhat from those recorded in recent months.

COMMODITY PRICES: Showing a lessening in the rate of increase, the general index number of wholesale commodity prices rose a further 0.4 points in February as compared with January, to register the smallest rise since December, 1946, according to the Dominion Bureau of Statistics. The index, on the base 1926=100, stood at 147.3 as compared with 146.9 for January and 118.1 for February last year. Indexes for five of the eight main sub-groups recorded increases over the January level, one decreased, and two remained unchanged. Most pronounced advance was shown for textile products.

The following are the sub-group indexes for February showing changes, with those for January in brackets: vegetable products, 131.4 (132.6); animal products, 159.5 (159.1); textile products, 154.4 (149.1); wood products,

182.0 (181.7); non-ferrous metals, 138.8 (137.0); chemical products, 144.0 (113.7). Iron products at 150.6, and non-metallic minerals at 125.6, were unchanged from January.

MOTOR CAR FINANCING: Motor vehicle financing in Canada recorded a further increase in February, the advance in used cars being more pronounced than in the case of new vehicles. The sales of 3,203 new vehicles were financed in February, showing an increase of 14 per cent over the same month last year, while in the used car class, 5,497 were financed, an increase of 69 per cent.

The increase in the financing of new motor vehicles in February was somewhat smaller than those recorded for some time past. Passenger car financing, totalling 1,813 vehicles in February this year and 1,644 a year ago, were up only 10 per cent. Trucks and buses recorded an increase of 20 per cent, a total of 1,390 for February this year comparing with 1,157. In the used vehicle field, the increase for passenger models at 78 per cent, was somewhat higher than that for commercial vehicles which stood at 41 per cent.

SHIP SALES \$115,752,000: War Assets Corporation in February disposed of three motor vessels formerly used by the Army and two motor craft used by the Royal Canadian Air Force.

The M.V. "General Page" was purchased by the Department of Transport, Ottawa; the M.V. "General Burstall" by Capt. Norman E. Smith, Barrington, N.S., and the M.V. "General Ashton" by R.E. Jamieson Ltd., Canso, N.B. These were declared surplus by the Army. The M.V. "Comorant" was purchased by Northern Pulpwood, Ltd., Vancouver, B.C., and the M-229, a tender, was sold to W.N. Copeland, Sidney, B.C., both former air force vessels.

Sales of ships and ships components to the close of February by the Corporation aggregated in dollar returns \$115,752,000.

CHART GREAT SLAVE LAKE: Estimates for 1948-49 tabled in the House of Commons provide for the continuance of the charting of the routes leading across Great Slave Lake to Yellowknife and the northern mining areas, according to an announcement by the Honourable J. Allison Glen, Minister of Mines and Resources.

The Canadian Hydrographic Service, which is responsible for this work will continue its examination of harbours of refuge in the Great Slave Lake, and chart critical areas in the Mackenzie River, utilizing the motor launch "RAE" built in 1946 and put into hydrographic service on this waterway last year. This modern 47-foot craft, with cooking facilities and sleeping accommodation for eight men, has greatly speeded up hydrographic work on this important water route, providing reliable

charts, which before this time were almost non-existent. By making such information available, the Hydrographic Service is aiding materially in the development of the Northwest Territories.

During 1947 the portion of the west shore of the Great Slave Lake extending from Slave Point to Moraine Point was charted, and three harbours were found with deep water approaches, which after the installation of a few aids to navigation will provide safety and shelter in bad weather. The completion of the 1948 program will provide detailed knowledge of approximately three-quarters of the route from the Mackenzie River to Yellowknife, greatly expediting the shipping which is increasing over this waterway. Boats and barges, carrying oil from the Norman Wells for Yellowknife and the Spore River development, and heavy machinery to this northern mining area, will no longer have to wait at the entrance of the Mackenzie for favourable weather, but will be able to proceed with the assurance of good harbours near their route.

PLACEMENT PLANS: The Dominion Department of Labour, in cooperation with Provincial Ministers of Agriculture, is now working out a detailed plan for specialized placement of young women from the Displaced Persons Camps of Europe in Canadian farm homes as domestic workers, it was announced Tuesday by Arthur MacNamara, Deputy Minister of Labour.

The work of screening suitable applicants overseas for employment in Canadian farm homes has been undertaken by officials of the Immigration Branch of the Department of Mines and Resources and assisted by representatives of the Department of Labour at the Displaced Persons Camps. These workers would probably be in Canada within six to ten weeks, Mr. MacNamara explained. The number to be brought to Canada would be determined by requests received from the Dominion-Provincial Farm Labour Committees.

Special plans for this project were forwarded recently to the Provincial Ministers of Agriculture for their consideration.

The movement of girls from Displaced Persons Camps to city homes in Canada had definitely been a success, Mr. MacNamara said, and in those provinces desiring to accept this new project, it had been decided to undertake placement of domestics in farm homes at least on an experimental basis.

JOINT ADMINISTRATION

"We believe that through the joint administration by the Dominion-Provincial Farm Labour Committee and the National Employment Service, successful placement of girls in farm homes can be accomplished", the Deputy Minister stated. "By using these two existing organizations, which have proven their worth in the

past, we will have the cooperation and counsel of the provinces and will obtain a successful administration of a plan requiring considerable care and judgment."

The selection of girls would be made with special regard to the fact that they were to be placed in farm homes and girls with a rural background would receive preference in selection.

Because of the special problems involved in connection with the placement of female workers on farms, it was thought necessary to depart somewhat from the ordinary procedure used in connection with the placement of agricultural workers. The following was decided upon:

1. Domestic workers from Displaced Persons Camps in Europe for employment on farms will not be sent forward to any province except as requested by the Dominion-Provincial Farm Labour Committee for the province.
2. A sub-Committee of the Dominion-Provincial Farm Labour Committee, for the province will be set up. This Committee will consist of a representative or representatives of a responsible women's organization, preferably a rural organization, the Regional Adviser on Women's Employment or another female officer designated by the National Employment Service and such other representation as the Dominion-Provincial Committee may decide upon.
3. The function of the sub-Committee will be to make plans for the reception and distribution of domestics for employment on Canadian farms, to examine all applications for help of this type and to decide which applications shall be approved, and to arrange for follow-up visits on the farms as soon as possible after placements have been made.
4. Farmers desiring help of this kind will complete an application form and file it with the nearest office of the National Employment Service or the agricultural representative in the district.
5. No placement shall be made until the application of the employer has been investigated by some competent official or a representative of a responsible women's organization and a report has been sent to the sub-Committee and the application has been approved by that Committee.

CAREFUL SCREENING

6. Workers brought to Canada under this arrangement will be carefully screened overseas for occupational suitability by representatives of the Department of Labour and for general acceptability as immigrants by the Immigration Branch, Department of National Health, and the Royal Canadian Mounted Police.
7. Domestics selected for placement in Canada in farm homes give an undertaking to the Minister of Labour to remain in domestic employment for a period of one year.

8. The employer gives an undertaking on the application form to provide continuous employment for a period of one year, and termination of the arrangement can be provided for only as set out on the application form.

9. A minimum wage of \$35 per month has been established and no placements can be authorized at any lesser wage. Should the prevailing wage in any area exceed the minimum, it is expected that qualified domestic workers from Displaced Persons Camps will receive the wage prevailing in the area.

10. Expenses in connection with the placement of these domestic workers will be shared by the Dominion and the Provinces as provided for under the Dominion-Provincial Farm Labour Agreement.

control program and proceeded to analyze price levels as follows:-

"This program of decontrol, we believe, has been an orderly and well-considered one. It has followed a logical pattern and avoided the two extremes: on the one hand, the extreme of sudden withdrawal of all controls, leaving economic forces to adjust themselves to the new situation overnight and therefore chaotically; and on the other hand, the extreme of retaining for too long a full-fledged control program with its probable inevitable effect in restricting production and aggravating the problems of readjustment that must ultimately be faced. However, despite the orderliness and the gradualness of the decontrol program, it has been accompanied by an increase in the price level of fairly sizable proportions. Between December, 1945, and February, 1948, the index of the Canadian cost of living increased by 25%, and the index of wholesale prices by 41.8%.

COMPARISON OF INCREASES

"These increases are somewhat higher than the corresponding increase in a few other countries during the same period, but this is a reflection of the fact that Canada, at the end of 1945 and in relation to pre-war levels, showed smaller increases than almost any other country. Last December, in respect of our cost of living index we were still below all the other fifty countries for which figures are reported in the United Nations Monthly Bulletin of Statistics, excepting only Australia, New Zealand, Southern Rhodesia and the United Kingdom.

"This suggests that the major explanation of our recent price rise lies in price-raising factors outside our borders. Canada ranks as the third largest importer and exporter of goods in the world. In these circumstances we could not hope under normal conditions to insulate ourselves from the effects of the inflationary rise in prices throughout the world. With the coming of peace, the elaborate system of controls and subsidies, both on domestic goods and on imports and exports, with which we had safeguarded ourselves during the war had had to be withdrawn, piece by piece, and the Canadian structure had therefore been left more and more exposed to external influences.

DOMESTIC FACTORS

"I have no desire to belittle the domestic factors which contributed to the over-all result. A considerable part of the rise in the cost of living index over the past two years has been due to the cessation of subsidy payments and the widening of dealers' and manufacturers' margins following the release of controls. The most important factor, however, has been the boom which has been developing in my country as in yours. Despite the magnitude of the industrial reconversion problem with which V-J Day confronted us and the large

number of enlisted men and of war workers for whom new peacetime occupations had to be found, Canada made the transition from a wartime economy to a peacetime economy with astonishing speed and smoothness.

"In a little over a year we were again passing into a zone of full employment and since then we have been witnessing a real economic boom, particularly in the field of consumer goods and industrial capital expenditures. It is a boom of unprecedented proportions even though the public does not seem to be aware of it -- thanks largely, I suppose, to the abnormal way in which the usual barometer, the stock market, has been acting. Our gross national production has increased from \$11.6 billion in 1945 to over \$13 billion last year -- in 1938 it was \$5.1 billion. Personal expenditure on consumer goods and services increased from \$6.8 billion to \$8.7 billion in the last two years. In 1947 the grand total of new capital investment in Canada, including investment by industry, institutions, governments, farmers and housebuilders reached the unprecedented total of \$2.4 billion. A recent survey, based on current intentions, forecasts a comparable figure for 1948 at \$2.8 billion. To convert into your terms, these figures would have to be multiplied by about 18."

FISCAL POLICY

Of post-war fiscal policy, he said:-

"In the face of the developing postwar boom, we have tried to adapt and develop our fiscal and monetary policies in such a way as to restrain excesses without endangering full employment and maximum production. Never before has there been so great a world need for the maximum output of this Western Hemisphere and our problem, it has seemed to us, is to keep the productive car rolling along at optimum speed, avoiding both the reckless speed that would soon lead to disaster and the too sudden or too drastic braking that would skid the car into the ditch. This type of consideration was primarily responsible for the gradualness and orderliness with which we dismantled our wartime price controls, which I have already described. It has had an equally important influence on our policies in the field of credit and finance."

"In so far as fiscal policy is concerned, we have consciously followed a policy of maintaining taxes at such a level as would produce substantial surpluses in our Government accounts. True, our rates of tax on personal incomes have been cut substantially from the very high levels of wartime because they were threatening to impair output and undermine enterprise. But they are still very high as compared with pre-war levels. The excess profits tax was gradually reduced and finally eliminated only as from the first of this year. Corporations now pay to the Dominion Government a tax of 30% on net profits.

The rest of the wartime tax structure stands very nearly intact. As a result of these high tax rates and of high incomes and business activity, total Government revenues have been maintained at abnormally high levels.

"Last year I was able to report a substantial surplus and for our latest fiscal year which ended yesterday, I shall be reporting to Parliament in a budget speech a few weeks hence another surplus of such a magnitude as to bring a glow to the heart of any Canadian Minister of Finance."

FREEDOM OF INFORMATION: Raul Noriega (Mexico) opened the Thursday afternoon, March 25, session of Committee III (Free Publication and Reception of Information) of the U.N. Conference on Freedom of Information in Geneva, the U.N. Information Center, Geneva, reported, with the announcement that Committee II and III would form a mixed Committee to study the following five points:

(1) Obligatory or voluntary transformation of daily newspaper into co-operative societies, trust foundations, limited companies or other forms of property designed to promote control for public interests;

(2) Measures to prevent the establishment of special relations between information media and financial, commercial or industrial enterprises which could undesirably influence or corrupt the media;

(3) The obligation to reveal an owner's name and financial controls;

(4) Regulations concerning the origin of capital; and

(5) Measures to suppress all advertising pressures.

This agenda was unanimously adopted.

The Canadian, Danish, Argentine and Swiss Delegates each made statements supporting absolute freedom of information within the law, and Canada added a statement showing the need for wartime censorship.

MR. DESY STATES VIEWS

In Committee I, in the continued general debate on basic principles, Jean Desy, head of the Canadian Delegation, urged concentrated efforts by all to concentrate in the future on achievements rather than on past errors. Concepts of National Sovereignty and rights should never justify "bondage in the name of freedom."

"We have cause to know that if freedom is denied in any part of the world, freedom everywhere is endangered," he said.

The purpose of the conference, Mr. Desy continued, was to draw up an international code to "expand and universalize our national freedoms, defining the concept of freedom and drawing up rules for its application." To achieve this Canada was prepared to consider "certain concessions on the national level which will bear fruit on the international level."

EXPORT CREDITS INSURANCE: The substantial increase in protection afforded to Canadian exporters by the crown-operated Export Credits Insurance Corporation is revealed in the annual report tabled in the House of Commons by the Rt. Hon. C.D. Howe, Minister of Trade and Commerce.

As of December 31, 1947, its policies covered an estimated export volume of \$44,487,470, against risks not provided for in ordinary commercial insurance, such as the insolvency of the foreign buyer, cancellation of an import licence in the country of destination, and the risk of adverse changes in foreign exchange regulations. Policies written during 1947 covered exports of raw materials, agricultural products and manufactured goods from exporters all across Canada to a total of 71 different countries.

In noting a continually increasing demand for its services, Chairman M.W. Mackenzie reported that branch offices of the Corporation were opened during the year in Montreal and Toronto, and consideration would be given to establishing new offices wherever volume of business might warrant.

Staffed by only twenty-two officers and employees the Corporation showed a healthy financial position, with a substantial surplus of operating revenues over expenditures. In order to provide against possibility of a less favorable loss experience over a period of years the total excess of income over expenditure since the commencement of the corporation's operations has been credited to an Underwriting Reserve, which now amounts to \$584,336.07.

ADDRESS BY MR. ABBOTT: In an address before the Semi-Annual Meeting of the Academy of Political Science, in New York City, April 1, on Prices and Credit, Hon. Douglas Abbott, Minister of Finance, reviewed Canada's de-

Mr. Desy firmly opposed any project which was calculated to perpetuate restrictions on the freedom of information.

CONSULATE AT DETROIT: The Department of External Affairs announced on March 27 the appointment of James J. Hurley to be Canadian Consul at Detroit, Michigan. This appointment is in continuation of the announced policy of expanding Canadian consular representation in the United States. The new Consulate will be opened on April 1.

Mr. Hurley was born at Brantford, Ontario, on August 13, 1898. On leaving school he entered the Canadian Army in March, 1916, and saw service overseas with the infantry. Returning to Canada he entered his father's business, the Hurley Printing Company Limited at Brantford. He remained in this business until the outbreak of the Second World War, rising to the position of President and Managing Director.

At the outbreak of the Second World War, Mr. Hurley resumed his active military service and served again with the Canadian Army until May, 1946; four years of this service was overseas. He holds the Order of the British Empire, the Canadian Efficiency Decoration, and the Netherlands Order of Orange-Nassau.

Mr. Hurley entered the service of the Department of External Affairs in April, 1947, and has recently returned to Canada after a period of duty with the Canadian Military Mission in Berlin.

RCAF FLYERS' RECEPTION: Final arrangements have been completed for the reception to be given the RCAF Flyers, Olympic hockey champions, on their arrival in Ottawa, Tuesday, April 6, it was announced Wednesday by Air Force Headquarters.

The Flyers, who on their European tour played 42 games, won 32, tied 5, and lost 5, will arrive in New York Monday April 5. They will travel overnight to Montreal, and arrive at Union Station, Ottawa at 12.40 (noon) Tuesday, where they will be met by the Hon. Brooke Claxton, Minister of National Defence; Air Marshal W.A. Curtis, CB, CBE, DSC, ED, Chief of the Air Staff; Mayor Stanley Lewis, and Senior Service officers.

Following the initial welcome the team, travelling in open cars, will lead a parade including the RCAF band and approximately 100 airmen from the station to Beaver Barracks.

A saluting base will be set up in front of National Defence Headquarters, Elgin Street, and the salute will be taken by the Minister of National Defence as the parade passes the reviewing stand. At the completion of the parade the team will attend an informal luncheon at Beaver Barracks.

On Saturday April 10, the Flyers will meet a combined NHL-QSHL All Star team in the only

game they will play before being disbanded. The game, which will be played in the Auditorium, Ottawa, will be in aid of the Canadian Appeal for Children.

RECRUITING TALK: "It seems terrible, doesn't it, to be talking about the possibility of a war, so soon after we succeeded in beating Germany and Japan?" said the Minister of National Defence, Hon. Brooke Claxton, in a recruiting broadcast over the Trans-Canada network of C.B.C. Tuesday night. "But we know that Russia has ruthlessly obstructed every effort to establish peaceful conditions; wherever she could, she has tried to create chaos, as the only sure road to communism. Russia's record since the war is forcing all the free nations to pay heed to their defences, and her attitude is bringing nations closer together so that they may present a common front against aggression."

"Just because we are taking necessary precautions, don't think that we believe a war is coming soon, or that a war is inevitable," he proceeded. "But while we are doing our utmost to work with other nations to build the foundations of peace, we are going to see to it that our forces are kept far above the level of the period between the wars."

"In the present state of the world, the one sure guarantee against aggression is to make certain that an aggressor can't win. We are laying our defence plans carefully, having regard to the possibilities as we see them. Just now we are at the end of the change-over from the wartime to the peacetime organization. In that we have been ahead of most other nations."

"We have developed training establishments in the Navy, the Army and the Air Force which are staffed and equipped to do a good job. In fact the three services today form a gigantic educational establishment. Modern war requires leadership and technical ability of the highest order."

ROYAL VISITOR: The Prime Minister, Mr. Mackenzie King, has learned with great pleasure of the acceptance by His Royal Highness the Prince Regent of Belgium of the invitation to visit Canada which he extended to His Royal Highness on the occasion of his visit to Brussels last year and which he recently renewed, on behalf of the Government of Canada, when it became known that the Prince Regent would be visiting the United States in April.

The Prince Regent will arrive in Ottawa from New York by air on April 15 and will leave Ottawa by air on his return journey to Brussels on the day following, it is announced by Mr. King's office.

His Royal Highness will be accompanied by Mr. Spaak who is Prime Minister and Minister of Foreign Affairs of Belgium, and by Mr. de Groote who is Minister of Economic Co-operation.

CANADA AT THE UNITED NATIONS

control over the police, a control which the party made absolute by widespread dismissal of non-Communists.

When these dismissals were questioned in a Cabinet meeting, by a majority decision of the Cabinet, the Minister of the Interior was required to take corrective action. This Cabinet decision was never carried out, and was the direct occasion for the resignation, in protest, of twelve non-Communist Cabinet members which took place on 20th February. From here on the crisis developed with a speed that itself bears evidence of the careful preparations made by the Communist minority to consolidate this power.

NEW GOVERNMENT

Premier Gottwald denounced those who had resigned as agents of foreign reaction and demanded that their resignations be accepted to allow him to form a new Government. The infiltration of Communists into positions of authority in the trade unions of the country made it possible for the Communists to announce that a general strike would be called, if President Benes did not accede to the demands of the party. The Communist-dominated police were armed. Local authorities were instructed to take order from "Action Committees" which had been organized by the Communist Party. The Secretariats of the National Socialist and Social Democratic parties were searched by police and the discovery of a "reactionary plot" against the State was announced. By 25th February all vital communications, Government Ministries and industrial areas were under Communist control. Denied the use of either newspapers or the radio all opposition was silenced. Wholesale arrests began. The President accepted the resignations of the twelve Ministers and accepted the Cabinet proposed by Premier Gottwald. The crisis was over.

Thus it would appear that the Communist Party, by direct intimidation, silenced their political opponents and Czechoslovakia had become enslaved.

It seems that the most significant feature in these events was that this was no revolution of the people against tyranny or misrule. On the contrary, the coup was undertaken by a group which already held power and for the purpose of extending that power over the people. The question naturally arises; why did the coup take place, and at whose behest? Surely not at the behest of the Czechoslovak people, who would have had ample opportunity to change their Government, if they so desired, at the elections which were not far off. It is to these as well as to other questions which have been raised that this Council must seek and answer.

The events in Czechoslovakia moreover

parallel all too closely early developments in other States in Eastern Europe so that they cannot be dismissed as pure coincidence. As has been noted in the Council already, it is too much to expect us to believe that the creation of similar regimes in countries like Bulgaria, Hungary and Roumania could have taken place without the active and organized help of an outside Power. The fact that the appearance of constitutional forms was used to cloak this overthrow of political liberty does not hide the fact that liberty has been overthrown and free political institutions subverted.

Having in mind the intimate associations between the Communist Party in Czechoslovakia, as in other countries and the Soviet Union, it is difficult to avoid the conclusion that the Communist Party gained control of Czechoslovakia with the knowledge, approval and some help at least from the Soviet Union. As has been mentioned already in the Council those who were most active in the coup were known to have lived and received their training in the Soviet Union itself. The Action Committees which were so effective in intimidating the opposition had apparently been established during the earliest days of the occupation of Czechoslovakia by troops of the Soviet Union.

HIGHLY ORGANIZED

Unquestionably, where a strong and highly organized political group is known to be linked with the support of an outside Power whose interests it advances, it is difficult to distinguish the relative weight of responsibility that must be borne by each, in the events to which I have referred. But this increases the importance of trying to ascertain the facts with regard to this process, whereby a minority-group linked with an outside Power is able to overthrow its political opponents and deprive the majority of the people of their political liberties, for this is not only dangerous to democracy but also creates a threat to international peace and security.

It is not to be expected that those who have been responsible for the overthrow of the democratic Government in Czechoslovakia would help the Council in assessing their responsibility for these events. But there are some whose testimony might be available to use and who should, therefore, give evidence. I refer not only to Dr. Papanek, but also those citizens of Czechoslovakia who were firsthand witnesses to the sad events which took place there in February and who have since had to leave their country to escape persecution. It is the duty of the Council, in the opinion of the Canadian delegation, to arrange that they be heard.

ATOMIC CONTROL: Meeting for the first time since 9 February, Committee 2 (Control) of the

Atomic Energy Commission discussed Tuesday morning the question whether to continue the consideration of the organizational structure and the composition of the international agency for the control of atomic energy.

The majority of the representatives on the Committee was of the opinion that no useful purpose would be served in pursuing this consideration in view of the lack of agreement on the basic political problems of control, the U.N. Press Bureau reported. The Committee adjourned without taking a decision and without setting a date for the next meeting.

General A.G.L. McNaughton of Canada said that when the Committee, on April 10, 1947, had agreed on its program of work, it had divided all subjects into two categories: (1) Subjects which could be discussed very completely and on which conclusions could be reached; (2) Subjects which could not be discussed effectively until very definite conclusions and decisions had been reached on the matters under (1).

GREAT EFFORT EXPENDED

The conclusions reached under (1) had been embodied in the second report of the Atomic Energy Commission to the Security Council, he

said. This report was supported by the overwhelming majority of the Committee. Great effort and great hope had been expended, said General McNaughton, in the attempt to drive forward the discussion of the agency's organization and composition. As the discussions progressed, it became inescapably clear that a definite agreement had to be found before conclusions could be reached.

It had been hoped, the Canadian representative continued, that this discussion would have opened up an opportunity for the Soviet Delegation to offer a contribution. This hope had been disappointed. Canada, which had supplied hydro-electric experts to testify before the Committee, had been very anxious to have Soviet experts appear and would have listened to them with a very open mind. Unfortunately, this hope had been disappointed too.

"It seems now we are at a dead end", said General McNaughton. There was not very much use in pursuing this matter further until the minority showed some evidence of a desire to reach agreement. For these reasons, the Canadian Delegation agreed with the United States, that until basic disagreements had been solved there was little purpose in continuing discussion.

REGISTRATION OF LITHUANIAN NATIONALS

ACTION VOLUNTARY: The Department of External Affairs issued the following press release on Thursday, April 1:-

A number of Canadian Slavic-language newspapers have recently published a notice on behalf of the Consular Division of the Embassy of the U.S.S.R. to the effect that the Praesidium of the Supreme Soviet of the U.S.S.R. passed a Decree, dated December 16th, 1947, according to which all persons of Lithuanian nationality, natives of the city of Klaipeda, and of the Klaipeda, Shilut, and Pageg districts of the Lithuanian S.S.R., who were abroad at the time of the passage of the Decree, and who had not become citizens or subjects of any other country, were obliged to register at U.S.S.R. Embassies or Consulates as Soviet citizens not later than June 1st, 1948.

FUTURE CITIZENSHIP

The Department of External Affairs first learned of the Soviet Embassy's intention to call upon Lithuanian nationals residing in Canada to register as Soviet citizens in accordance with this Decree when the notice had already been printed in the foreign-language press. The Department regrets that the Soviet Embassy did not consult it before submitting the announcement to the press. The question of the future citizenship of immigrants who come to Canada with the intention of making a per-

manent home in this country is a matter in which the Canadian Government takes a deep interest, and the Department would have expected the Soviet Embassy to inform it in advance of any public announcement which it wished to make affecting the citizenship of immigrants of Lithuanian nationality.

The Canadian Government has never extended recognition to the Lithuanian Soviet Socialist Republic as a constituent republic of the U.S.S.R. The Government, therefore, does not regard Lithuanian nationals residing in Canada as citizens of the U.S.S.R. Just as other immigrants from Europe have become Canadian citizens, so, the Government hopes, the Lithuanians who are making their permanent home in Canada will seek Canadian citizenship. The Canadian Citizenship Act gives assurance to anyone who comes to this country with the intention of making a permanent home here that he may readily become a naturalized Canadian citizen and secure the rights and privileges which belong to natural-born Canadians.

NO OBLIGATION

Similar registration was provided for by the Soviet Embassy in 1945 in respect of persons formerly resident in parts of the Ukraine and Byelo-Russia which had been incorporated into the U.S.S.R. At that time, it was made abundantly clear to the Soviet Embassy that the Government of Canada did not recognize any obligation on the part of residents of Canada

to comply with the Soviet registration notice. The Embassy replied that there was no intention of exercising compulsion and that the text of the announcement indicated that registration was voluntary. The Canadian position with respect to the present notice is the same. The Canadian Government regards the registration of Lithuanian nationals in accordance with the Decree of the Praesidium of the Supreme Soviet of the U.S.S.R., as announced by the Soviet Embassy in the Slavic-language press in Canada to be entirely a voluntary matter, and recognizes no obligation on the part of any resident of Canada to register.

Since the notice, as it appeared in the Slavic-language press, did not make it clear that there was no obligation to register on the part of Lithuanian nationals who were resident in Canada, the Department of External Affairs wrote to the Soviet Embassy on March 22nd, requesting the Embassy to insert in any announcement which it might wish to make in the future a sentence which would make it clear that registration was in fact voluntary.

HONOURS FOR CANADA: The Prime Minister, Viscount Alexander and President Truman received honorary degrees on Friday, April 2, from the College of William and Mary in Virginia at Williamsburg, Va. Mr. King was particularly honoured in Canadian-American Day ceremonies.

U.K. ARRANGEMENT EXTENDED: Hon. Douglas Abbott, Minister of Finance, announced Friday, April 2, that, following on discussions between the Government of Canada and the United Kingdom High Commissioner in Canada, the present arrangements for financing imports into the United Kingdom from Canada have been extended to April 14th.

MORE TELEPHONES: The year 1946 was one of unprecedented activity in the telephone industry and demand for new installations and service exceeded the peak levels experienced during the war years. The number of telephones increased by 177,324 or 9.5 per cent to pass the two million mark at 2,026,118 compared with 1,848,794 in 1945. The increase during 1945 had been 96,871. The number of business telephones rose by 54,285, residence telephones by 96,695, rural by 25,648 and public pay stations by 696. Over twice as many business telephones were installed as during 1945, while an increase of 41,682 residential installations was recorded compared with the previous year's additions.

Of the increase of 177,324 some 85,773 were added in automatic or dial telephones, while 91,551 were wired to manual switchboards with the result that the automatic ratio stood at 55 per cent compared with 56 per cent in 1945 and manually operated rose from 44 to 45 per cent of total installations. Of the total installations in 59 cities in Canada nearly 80 per cent are connected to automatic switchboards.