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WEEK'S EVENTS IN REVIEW

NORTH ATLANTIC TREATY: The following is the complete text of the proposed North Atlantic Treaty, as tabled in the House of Commons on March 18, by the Prime Minister, Mr. St. Laurent:

PREAMBLE

The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defence and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty:

ARTICLE 1

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in

their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE 2

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

ARTICLE 3

In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE 4

The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

CANADIAN INTERNATIONAL TRADE FAIR

PRELIMINARY SURVEY: With a large proportion of the applications for space at the 1948 Canadian International Trade Fair now completed it is possible to give some idea of the firms and countries which will be exhibiting in the different trade classifications.

Among the new developments in 1949 is the extensive representation from Yugoslavia which is making a bid for business with other countries with 95 products exhibited in seven different classifications.

For the first time the United States automobile industry will be displaying its products in competition with British and Czechoslovak automotive manufacturers.

It must be borne in mind that the following listings, while accurate at the time of writing, are subject to constant revision and are by no means to be regarded as complete.

HOUSEHOLD FURNISHINGS: Booking of space in the household furnishings section indicates that Canadian and United Kingdom firms will be the heaviest exhibitors. A firm from the federation of Malaya, displaying a line of rattans, rattan products, malacca canes and kindred tropical products, is exhibiting at the Fair for the first time. Another initial exhibitor is from French Morocco, displaying a line of household furnishings.

The British china firms are returning, as are the Czechoslovakian glass and crystal exhibitors. Included in this section are ten Canadian and British firms, exhibiting at the Trade Fair for the first time.

JEWELLERY: The Siamese are coming back to display their Niello silver jewellery, hand-woven sarongs, precious and semi-precious stones and other handicraft. This year's exhibit is under the aegis of a semi-government organization formed as a direct result of last year's successful display.

A British firm has taken a large display space to exhibit jewellery and silver-plated flatware. Other British firms in this section are displaying flat and hollow-ware of silver, cigarette cases and boxes and candlesticks. The Czechoslovakian ornament manufacturers will be seen again in this section.

At the moment the United Kingdom has taken the largest space in this particular trade classification.

TEXTILES, APPARELS: Preliminary review of initial applications indicate that the Textile and Apparel group will again occupy greater floor space than any other of the twenty-one trade classifications in the mammoth show.

Special interest will be roused by the composite exhibit of British textiles which is expected to occupy from 15,000 to 20,000 square feet, according to Sir E. Raymond Street, CBE, Chairman of the British Textile Committee

on Exhibition and Fairs. Among the associated groups said to be reserving substantial space are twenty-five members of the National Wool Textile Export Corporation, and members of the Furnishing Fabric Federation and the rayon industry in the United Kingdom. The Czechoslovak textiles which attracted so much attention, and were reported to have done very substantial business at the first Trade Fair, will be back in full force.

IRON, STEEL, METALS: In the Iron, Steel and Non-Ferrous Metals Section, four firms have applied that were not present at last year's fair. Canada, United States, Sweden, and Yugoslavia are the four countries who have completed applications for space in this group. The display includes a newcomer to the Fair from Sweden with a metallic-resistance material for use in making electrical elements for industrial and domestic appliances.

ELECTRICAL TOOLS: Canada has the largest number of applications for space in the Electrical Tools, Motors and Supplies Section, followed by Britain and Czechoslovakia. Three firms in this category are making their initial appearance at the Trade Fair.

MACHINERY ENGINEERING: Preliminary applications for space in the Machinery, Engineering and Plant Equipment Section indicate that Canadian firms are the leading exhibitors, followed by Scotland, England, Wales and Northern Ireland.

FARM EQUIPMENT: At this time the United States and England dominate the Farm Implements and Equipment section.

CHEMICALS, RADIUM: Advance space-booking in the Chemicals and Radium Section reveals Canada as the dominant exhibitor, as was the case last year. On display will be radio-active materials for industry, research and medicine, radiograph capsules and accessory equipment for non-destructive inspection of castings and weldments.

BUILDING MATERIALS: In the Building Materials, Heating and Plumbing Section, nine Canadian, two British and one Swedish firm are exhibiting their wares for the first time. The Swedish firm will exhibit a model house, illustrating heating by air, radiated and contact.

FOOD AND BEVERAGES: Initial applications indicate that the Food and Beverages Section will form one of the major categories. Twenty-three firms from seven countries have contracted for space in this classification. A substantial group of British brewers is acquiring enough space to erect a replica of an English "pub" in which to display their products.

FARM CASH INCOME AT RECORD IN 1948

TOTAL OF \$2,449,856,000: Cash receipts of Canadian farmers from the sale of farm products reached an all-time high record total of \$2,449,856,000 in 1948, an increase of 25 per cent over the 1947 aggregate of \$1,962,276,000, the previous peak total. When supplementary payments are included, cash income in 1948 amounted to \$2,470,611,000 as against \$1,973,853,000 in 1947, the Bureau of Statistics reports.

The substantial gain in farm cash income in 1948 can be largely attributed to rising prices and the large sums distributed by the Canadian Wheat Board and western grain companies in the form of grain equalization and participation payments. During the year these payments totalled \$178,590,000, equalling approximately one-third of the gain in the 1948 cash income over 1947.

High levels of domestic purchasing power as a result of full employment and high wages together with a strong world-wide demand for short supplies of producer and consumer goods were important factors affecting the general level of agricultural prices which averaged almost 20 per cent higher than in 1947.

Early in 1948 it was announced that the United Kingdom had agreed to pay Canada higher prices for purchases of bacon, beef, eggs and cheese. As a result of the contract entered into by Canada and the United Kingdom, grade "A" sizeable Wiltshire sides at the seaboard were boosted from \$29.00 to \$36.00 per cwt. and beef prices were increased by varying amounts up to \$3.25 per cwt. The spring price of eggs was advanced five cents per dozen, followed by an additional five-cent increase at July 1 and a further increase of two cents at September 1. Cheese prices were increased from 25 cents to 30 cents a pound at the factory.

Prices of poultry meat were also strengthened during the year as a result of the lowering of the United States tariff on January 1, 1948 and the subsequent substantial shipments

FISHERIES OF CANADA: The marketer value of the products of Canada's fisheries reached a new peak figure of \$124,069,000 in 1947, and showed an increase of 2.4 per cent over the preceding year, according to the advance report on the industry by the Bureau of Statistics. The total quantity of all kinds of fish taken during the year was 12,208,000 cwt., a decrease of 7.4 per cent from 1946. The sea fisheries accounted for \$110,443,000 or 89 per cent of the total marketed value, and 93.5 per cent of the landings in 1947.

The industry gave employment to 84,050 persons in 1947, although not all of these found year-round employment. The primary operations of catching the fish accounted for

southward. On April 1, the initial price to Prairie wheat producers for No. 1 Northern at the Lakehead was advanced from \$1.35 to \$1.55 per bushel. At the same time the Canadian Wheat Board prepared to disburse payments which made this 20-cent boost retroactive to August 1, 1945. In August, further strength was injected into livestock prices with the lifting of export controls which since September, 1942 had embargoed Canadian shipments to the United States of beef cattle and calves, and beef and calf products.

Advanced marketings during the last quarter of the year helped to increase the total number of cattle and calves passing through commercial channels to a level about 30 per cent higher than in 1947. This, together with higher prices, placed the estimated cash income from this source above the total realized from the sale of any other individual farm commodity. Although the marketings of wheat were somewhat lower in western Canada in 1948 than in 1947, this decline was more than offset by increased prices and somewhat higher marketings in Ontario. As a result, cash income from this source ranked second on the list, followed by dairy products.

Without exception, gains in the cash income from the sale of farm products occurred in all provinces. In absolute terms, the largest was registered in Ontario, while on a percentage basis the greatest increase took place in Manitoba.

Cash income follows by provinces in 1948, totals for 1947 being in brackets (excluding supplementary payments): Ontario, \$668,400,000 (\$541,300,000); Saskatchewan, \$520,600,000 (\$429,500,000); Alberta, \$449,000,000 (\$344,000,000); Quebec, \$352,200,000 (\$285,100,000); Manitoba, \$242,900,000 (\$181,400,000); British Columbia, \$101,100,000 (\$92,500,000); New Brunswick, \$44,900,000 (\$38,500,000); Nova Scotia, \$36,600,000 (\$32,200,000); and Prince Edward Island, \$22,500,000 (\$17,800,000).

65,419 persons -- 47,249 in the sea fisheries and 18,170 in those of the inland waters -- while the fish processing end of the industry employed 18,631 persons. The primary industry recorded a decrease of 8,095 in the number of employees, and the secondary phase a decline of 765 persons.

The salmon fishery retained the leading position in 1947, the quantity landed increasing by nine per cent. The marketed value was \$36,451,000, an increase of \$11,221,000 or 44 per cent over 1946. Part of the increase was due to the canning in 1947 of cold-storage salmon caught in 1946. Other leading species in order of value: herring, \$17,945,000; cod, \$14,467,000; lobsters, \$10,751,000.

A QUEER WINTER -- OFFICIAL ANALYSIS

ON BOARD H.M.C.S. "MAGNIFICENT": The combined East and West coast squadrons of the R.C.N. steamed out of the Canal Zone on March 16 and shaped course for the Leeward Islands. This largest concentration of Canadian naval ships since the war saw the carrier "Magnificent", the cruiser "Ontario", destroyers "Nootka", "Haida" and "Athabaskan" and the frigate "Antigonish" proceeding in company, under the command of Commodore G.R. Miles, O.B.E., R.C.N., in "Magnificent".

When clear of the approaches to the Panama Canal, flying operations began. Firefly aircraft of 826 Squadron ranged far from the carrier in conducting navigation exercises. Sea Furies of 803 and 883 Squadrons also put in a busy day. Strikes were conducted against H.M.C.S. "Ontario" and the parent carrier as a climax to the day's operations.

The Canadian squadron is due to rendezvous with the Royal Navy's American and West Indies Squadron on March 19 and detailed exercises will commence before proceeding into St. John, Antigua.

BASE MAPS FOR INDUSTRIES: The Topographical Survey will be provided with more than a million dollars in the fiscal year 1949-50 to carry on its work of providing base maps for the use of the mining, engineering, agriculture and forestry industries in Canada. This was revealed in estimates of the Department of Mines and Resources, tabled recently in the House of Commons.

The Minister of Mines and Resources, Mr. MacKinnon stated that it is planned to send some 70 parties into the field this summer, a substantial increase over the 37 parties sent out last year. This increase is in line with the Government's policy of getting ahead with the task of mapping Canada's vast, little-known and undeveloped areas. More parties will operate in most of the provinces and in the Northwest Territories and Yukon.

CANCER INSTITUTE GRANT: The trustees of the King George V Silver Jubilee Cancer Fund have just authorized a third payment of \$150,000 toward the work of the National Cancer Institute of Canada.

This was announced by the Rt. Hon. Thibaut Rinfret, Chief Justice of Canada and Chairman of the Trustees of the Jubilee Cancer Fund.

The newly-authorized grant is the third and final payment of a total amount of \$450,000 which the trustees agreed in 1947 to place at the disposal of the National Cancer Institute.

FARM PRICES: The index number of farm prices of agricultural products for January, on the base 1935-39=100, is estimated at 258.0, down 1.4 points from the revised figure for December, but 17.4 points above January last year,

according to the Bureau of Statistics. A high point of 264.1 was reached by the index in August, 1948.

The decline from the December level was due to lower prices paid for grains other than wheat, livestock, furs, poultry and eggs. The decreases in these commodities more than offset increases recorded for dairy products and potatoes.

Since the publication of the index for December, substantial upward revision has been made in the general level of the index from August, 1945 to date. This revision has been occasioned by the recent announcement that the initial Lakehead price of wheat to western producers would be increased 20 cents per bushel and made retroactive to August, 1945. In addition, the prices of oats and barley for the crop year 1947-48 have been advanced to include the final equalization payments of 5.881 cents per bushel for oats and 6.78 cents per bushel for barley.

FOREIGN VEHICLE ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits in February totalled 35,800, an advance of seven per cent over the same month last year, according to the Bureau of Statistics. During the first two months of this year, entries totalled 68,400, an increase of 11 per cent over the same period of 1948. In February, increases were recorded in traffic entering through ports in all provinces except Manitoba and British Columbia.

GOLD MINING INDUSTRY: Gold production in Canada in 1947 amounted to 3,070,221 fine troy ounces valued at \$107,457,735 as compared with 2,832,554 worth \$104,096,359 in the preceding year, according to the annual summary review of the industry by the Bureau of Statistics. The employment situation showed some improvement, being aided by the placement in the mines of many displaced persons brought from Europe.

Production from auriferous quartz mines and placer deposits amounted to 2,773,104 fine ounces compared with 2,430,865 in 1946, and from base metal mines, 297,117 fine ounces compared with 401,689. Ontario accounted for 63.3 per cent of the total output in 1947, Quebec for 19.5 per cent, and British Columbia 8.1 per cent.

COAL PRODUCTION UP: With substantial increases in Alberta, Saskatchewan and British Columbia, and a small rise in New Brunswick, Canadian production of coal showed a sharp rise of 45 per cent in February over the same month last year. Nova Scotia's output was slightly lower in the month. Imports were down 25 per cent.

"TOPSY -- TURVY," BUREAU REPORTS: As the sun crossed the Equator on Sunday, March 20, Canada's weather service took time out to make a survey of the dying winter. The reports on the topsy-turvy weather of last winter and the progress of Spring were received from the six main Department of Transport weather offices from coast to coast.

One thing stands out - a queer winter that will remain as a guide-post in most peoples' memories in the years to come. A cold, hard season from Lake Superior to the British Columbian coast and a mild one from Georgian Bay to Halifax.

Snow still blankets the Prairies and a good part of Ontario. March in Eastern Canada is just beginning to give promising signs of spring-like conditions. But out on the B.C. coast Spring is in full swing as the weatherman there reports picking crocuses and hyacinths in his garden. Usually the next spots to feel the breath of Spring after B.C. are Southern Ontario and Southern Alberta. Temperatures today in the vicinity of Windsor are around sixty.

Despite a dry January, Vancouver had the most snow in twelve years. Frequent low temperatures brought the mountain run-off almost to a standstill and the resulting power shortage was not evident until late February. Vancouver had 71 days when the temperature dropped below freezing in December, January

TRAVEL EXPENDITURES: Canadians may, in future, obtain permits through their banks for the expenditure of any reasonable amounts for travel to France, Belgium, Luxembourg, the Netherlands and Norway, the Minister of Finance, Mr. Abbott, announced on March 18. So far as Canadian travellers are concerned, these countries are, therefore, now placed in a similar position to those in the sterling area.

Heretofore travel expenditures in the countries concerned were in practice made in U.S. dollars. They were, therefore, limited by the travel ration of \$150 U.S. covering the period from November 16, 1948 to November 15, 1949. In future, such travel expenditures will be authorized only in Canadian dollars but for any reasonable amounts.

This relaxation in travel regulations follows upon the conclusion with the French authorities of arrangements whereby Canadian dollars spent in France for travel purposes will be convertible into French francs at the same rate as the free rate for U.S. dollars, at present approximately 318 francs per dollar. This is in contrast to the normal official rate for Canadian dollars in France of 264. In the other countries concerned, Canadian dollars are convertible at the official rate of exchange which is the same for both Canadian and U.S. dollars.

and February. When the break finally came it brought a heavy snowfall and thawing temperatures in the mountains. These in turn led to heavy snowslides which blocked rail traffic and communications.

The Prairies are still in the grip of the coldest winter since 1936. Snowfall has been especially heavy in Manitoba. Winnipeg's snow in January broke a thirty-three year record and throughout the whole season snow and strong winds kept blocking highways in Southern Manitoba. Alberta and Saskatchewan did not report any extremely low temperatures. But the usual Chinooks were infrequent and long. Unbroken spells of cold weather prevailed during the mid-winter.

Farther East, Ontario came within a hair's breath of getting her warmest winter ever. An average temperature of 30.4° for Toronto from December to February was only exceeded by the mild winter of 1932-33 when the record 30.5° was set. Montreal and Halifax were also just under the record set sixteen years ago.

Winter snowfall in Ontario and Quebec was much less than normal until late winter. In the Maritimes it came close to average but in most sections was rapidly cleared by following rains. Fishermen were hard hit by a succession of gales over the Atlantic and recent storms of freezing rain have caused extensive damage to trees and communication lines.

France, Belgium, Luxembourg, the Netherlands and Norway are those European countries participating in the European Recovery Program which, in addition, have arrangements with Canada under which Canadian dollars are acceptable for expenditures there. The Minister expressed the hope that the additional Canadian dollars accruing to those countries as a result of the relaxation of the Canadian regulations will assist them in carrying out their recovery programs. He also indicated that sympathetic consideration would be given to extending the present relaxation to other E.R.P. countries which are prepared to make arrangements with Canada similar to those of the countries to which it now extends.

STORE SALES UP: Department store sales showed an increase of three per cent during the week ending March 12 as compared with the same week last year, according to preliminary figures released by the Bureau of Statistics. Manitoba had the largest gain of 19 per cent, followed by Saskatchewan and Alberta with identical increases of 11 per cent. Sales in British Columbia advanced 10 per cent, while Ontario's figure was unchanged.

(Continued from P.1)

ARTICLE 5

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE 6

For the purpose of Article 5 an armed attack on one or more of the Parties is deemed to include an armed attack on the territory of any of the Parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any Party in Europe, on the islands under the jurisdiction of any Party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the Parties.

ARTICLE 7

This Treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

ARTICLE 8

Each Party declares that none of the international engagements now in force between it and any other of the Parties or any third state is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

ARTICLE 9

The Parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defence committee which shall recommend measures for the implementation of Articles 3 and 5.

ARTICLE 10

The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any state so invited may become a Party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

ARTICLE 11

This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

ARTICLE 12

After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

ARTICLE 13

After the Treaty has been in force for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

ARTICLE 14

This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the Governments of the other signatories.

In witness whereof, the undersigned plenipotentiaries have signed this Treaty. Done at Washington, the day of April, 1949.

MR. PEARSON'S REVIEW OF NORTH ATLANTIC TREATY

NATION-WIDE BROADCAST: The following is the concluding portion of the text of a broadcast on the North Atlantic Treaty by the Secretary of State for External Affairs, Mr. Pearson, over the Trans-Canada network of the Canadian Broadcasting Corporation on the evening of March 18:

"...What are the States that will be asked to sign this treaty? Let me name them for you: Belgium, Denmark, Canada, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, the United States. These twelve states which border on the North Atlantic or which are close to it, occupy a large area. They command large resources, and their industries are well developed. They are inhabited by many millions of people, and these people are generally self-reliant and independent in spirit. Their association is a natural one geographically. It is natural also because of the common heritage they have -- in political and in social organization; in culture and in religion. They can help one another in many ways.

"Together they can restore the western world. Together they can frustrate the Soviet veto on peace. Together -- under the Treaty -- they can begin the building of the North Atlantic Community, based on a common tradition of liberty and democracy.

"What will Canada be expected to do if we sign the treaty? The best answer to this question is to be found in the text itself. Article 5 contains the most important commitment. The States which sign this treaty agree that '...an armed attack against one or more of them shall be considered an armed attack against them all'. They also agree that if any one of them is attacked, each will 'assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area'. If such an attack occurs -- and with this Treaty that dread contingency is far less likely to occur -- no one knows what type of action will be necessary to bring the aggressor to terms. Whatever this action is, we agree to play our proper part in it in co-operation with the other members of the group.

"This by no means implies that we as a nation, will be giving a blank cheque to others who will tell us what to do. Not at all. On the Council which it is proposed to set up under the treaty, we shall have a voice in making any plans which the group will jointly recommend to their governments. If there is an emergency, we shall have far more influence than we have ever had before in determining how this emergency shall be met. If there is no emergency, we shall through this proposed council, be able to take part in the very

significant measure of economic and social co-operation which is provided for under Article 2 of the Treaty.

"How does this treaty protect Canada? We have learned in two tragic and costly world wars that we cannot escape the consequence when some great act of aggression takes place. We do not forget the frightening time during the last war, when France had been overrun and the German armies stood at the Channel. The Nazi was looking at the White Cliffs of Dover -- and beyond the Atlantic waters. Our very national existence in Canada was at stake. In the Spring of 1940 there were very few people in Canada, or even in the United States, who did not dread the result for us if the last outposts of freedom fell in Western Europe. Because our safety is linked with that of our neighbours, we know that the best way to keep the invader away from our shores and the hostile bomber out of our skies is to make sure that, if aggression occurs, it is stopped where it begins. We know also that to avoid war we must build peace -- actively, by working constantly with our neighbours in the Atlantic Community for the conditions in which peace will exist.

"What about the United Nations? Nothing in this proposed treaty is in any conflict with the United Nations. Our loyalty to that organization is unchanged. Our willingness to carry out our obligations under its Charter continues. Our hope that through the agency of the United Nations we shall yet achieve universal collective security remains. We know, however, that the United Nations cannot at the present time guarantee our security. It would be madness to indulge in self-delusion and to pretend it does. We must therefore take such interim measures as we think necessary, with like-minded peace-loving states, to gain the security the United Nations cannot now offer. But the treaty specifically states that the obligations, under the Charter of the United Nations, of all those who sign the Atlantic Pact remain untouched. It is also provided that action against an aggressor under Article 5 shall cease once the Security Council of the United Nations has taken effective action to restore peace. The Charter itself specifically takes account of the fact that arrangements such as the North Atlantic Pact may be made by some member states.

"The proposed North Atlantic Pact does not undercut or sidetrack the United Nations. In fact, we believe that by contributing to the stability and economic recovery of our part of the world, the members of this group of states strengthen the United Nations. Certainly we shall try to bring about that result.

"There are some hopeful signs on the horizon today. The upheavals of a war, six years long and as wide as the whole circumference of

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the globe, left terrible problems and dangers. But the world is slowly recovering. This recovery can be wiped out, suddenly and tragically, by some rash act of aggression. The North Atlantic Treaty will both help and protect our recovery. It will help it by providing new channels for co-operation. It will protect it by demonstrating to any possible aggressor the determination of the free peoples to resist.

"For the people of the North Atlantic community, the treaty is a new beginning. It carries the promise of greater security and fuller co-operation amongst the nations. It spans an ocean to join two continents. It gives the many millions of people who live in this area a chance to develop together the principles and practices of international co-operation, under rules of law and conduct that are familiar to them. It holds out the hope of freedom, order and progress in a peaceful world."

WHOLESALE SALES: Dollar volume of wholesale sales in January was seven per cent below the December level and was less than one-half of one per cent lower than in January 1948, according to the Bureau of Statistics. The general unadjusted index of sales, on the base 1935-39=100, stood at 243.2 in January compared with 262.1 in December and 244.2 in January, 1948. Dollar sales of wholesalers in Quebec decreased seven per cent and in British Columbia three per cent. Sales in all other regions were up two per cent.

Wholesalers in the footwear, dry goods and apparel trades reported marked declines in dollar value of sales in January compared with a year earlier. Sales of footwear wholesalers were down 41 per cent, clothing 26 per cent, and dry goods 18 per cent.

Sales of grocery wholesalers were slightly lower than last year, while gains of two per cent, three per cent and four per cent were registered by wholesalers of tobacco and confectionery, hardware, and automotive equipment, respectively. Fruit and vegetable dealers recorded sales nine per cent above last year's level, while drug wholesalers' sales were up 10 per cent.

Total dollar value of stocks in the hands of wholesalers at the end of January were valued 13 per cent higher than on the corresponding date in 1948. Clothing wholesalers' stocks were six per cent lower in value and inventories of footwear wholesalers were 15 per cent lower.

All other trades registered increases in value of inventories. Grocery and drug wholesalers' inventories were five per cent higher in value, automotive equipment seven per cent, and fruit and vegetables 12 per cent. More substantial gains in value of stocks on hand were reported by wholesalers of hardware at 22 per cent, tobacco and confectionery 23 per cent, and dry goods 24 per cent.

PARKS' DEVELOPMENT: Estimates of the Lands and Development Services Branch of his Department indicate the intention of proceeding actively with the development program initiated last year, states the Minister of Mines and Resources, Mr. MacKinnon.

Additional work on park highways will include improvements to the Banff-Jasper Highway south of Jasper; to the Banff-Windermere Highway--a main tourist traffic artery from the International Boundary to the mountain national parks; to the Akamina and Pincher Creek Highway in Waterton Lakes Park, closely affiliated with Glacier Park on the American side; to the Waskesiu Highway in Prince Albert National Park; to No. 10 Highway from Clear Lake to the northern boundary of Riding Mountain National Park; to the Cabot Trail in Cape Breton Highlands National Park, and other road improvements of smaller proportion. Substantial sums have been included for the development of the new national park in New Brunswick. Some road building will be done in this park.

Funds are being asked in the Parks vote for the improvement of camp-grounds and other public facilities to guarantee accommodation for the ever-increasing number of visitors to the National Parks. Facilities for the protection of the park forests are also being improved. Additional recreational features are being provided, including a new centre in Jasper townsite.

SECURITIES TRANSACTIONS: A feature of the trade in outstanding securities between Canada and other countries in 1948 was the continuance of a small balance of purchases of \$17,900,000, a shade lower than the \$18,000,000 shown for 1947. These small out flows of capital from Canada contrasted with the inflows of capital characteristic of previous years when sales of outstanding Canadian securities to non-residents were substantial, according to the Bureau of Statistics.

The volume of transactions increased about 12 per cent in 1948, both sales and purchases rising by approximately the same amount. A change occurred in the purchase balance with different countries. Net purchases of securities from the United States of \$17,800,000, chiefly of United States securities, were higher than in 1947 when they were \$10,500,000, whereas net purchases from the United Kingdom at \$1,500,000 were much less than in preceding years.

The total of sales and purchases in 1948 stood at \$453,100,000 as compared with \$405,600,000 in the preceding year. Sales to all countries were valued at \$217,600,000 compared with \$193,800,000, and purchases from all countries at \$235,500,000 compared with \$211,800,000. Sales to the United States in 1948 totalled \$207,400,000 compared with \$182,300,000, and purchases from that country, \$225,200,000 compared with \$192,800,000.

NEW BUDGET EFFECTS SWEEPING TAXATION CUTS

INCOME TAX SLASHED: The Minister of Finance, Mr. Abbott, in the House of Commons on the evening of March 22, delivered his annual Budget Speech. He announced sweeping taxation cuts which included not only curtailment of income taxation but reductions on a large variety of consumer goods and services.

The following is a brief summary of the main features of the new Budget:

MAIN TAX CHANGES

1. Personal Income Tax

- (a) Exemptions increased, effective January 1, 1949 -

	Present Exemptions	New Exemptions
Single Status	\$ 750	\$1000
Married Status	1500	2000
Dependent child under 16 years	100	150
Other dependent	300	400

Higher exemptions will take 750,000 present taxpayers off the tax rolls.

- (b) New and lower income tax rates also to be effective January 1, 1949.
- (c) Under new rates three-quarters of taxpayers will only pay 15% on taxable income.
- (d) New tables for tax deductions at the source to be put into effect within a few weeks; anticipated in general effect by end of April.
- (e) Employers authorized to stop deductions immediately for incomes below new exemption level. Table showing these exempt amounts per pay period being released to employers. Refunds will be given to exempt taxpayers as soon as possible.

(f) Miscellaneous changes

Exemption from 4% investment income tax increased from \$1800 to \$2400. The income of a dependent need no longer include exempt income, such as a war pension, in determining eligibility as a dependent of the taxpayer. Medical expense allowance will be extended to include cost of a wheel-chair; the allowance of \$500 off income now granted a blind person will be extended to a person confined to a bed or wheel-chair. Period for which interest on unpaid taxes accrues while taxpayer waiting assessment to be reduced from 20 months to 12 months.

- (g) Annual revenue loss \$270 million or 32% average reduction.

2. Corporate Income Tax and Tax Credit for Dividends

- (a) Rate of tax on first \$10,000 of income of corporations reduced from 30% to 10% and rate on income over \$10,000 increased from 30% to 33%.
- (b) Effect will be that small corporations will pay only 10% tax; no corporation will pay a greater tax than present unless income exceeds \$77,000.
- (c) A credit of 10% of the amount of dividends received on common shares will be allowed against personal income tax of a shareholder;
- (d) Combined 10% credit for dividends and reduced rate of 10% on small corporations completely removes double taxation of corporation earnings for small corporations with income not exceeding \$10,000.
- (e) Where a large corporation distributes approximately one-half of its profits, combined incidence of corporation and individual income tax, taking account of 10% credit, is the same as at present.
- (f) Present three-year carry-forward of losses to be extended to five-year carry-forward.
- (g) Regulations on depreciation to be changed to recognize obsolescence; present straight-line method to be changed to diminishing balance principle with appropriate increase in rates of write-off; provision for adjustment of amortization taken since 1948 in the event of assets disposed of after use, to be based on written down value at the end of 1948 to ensure against taxing capital gains and to prevent retroactive application.
- (h) Allowances now granted for mining, oil and gas exploration expenses extended for three years 1950, 1951, and 1952; tax credit for deep-test wells extended for 1950.
- (i) Three year exemption for new mines extended to include mines coming into production in 1950, 1951 and 1952.
- (j) No net change in revenue -- revenue loss from reduction in rate on small businesses and 10% dividend credit offset by increased revenue from 3% income in general corporation rate.

3. Succession Duties - No changes

4. Commodity Taxes.

- (a) Excise taxes repealed on the following items:
 Soft drinks (now 25% plus 1¢ per bottle)
 Candy (now 30%)
 Chewing gum (now 30%)
 Transportation tickets (now 15%)
 Berths and parlor car seats (various rates)
 Long distance calls, extension telephones, telegrams and cables (various rates)
 Transportation buses (now 5%)
 Carbonic Acid Gas (now 50¢ per lb.)
- (b) Excise taxes reduced to 10% at manufacturers' level on the following items:
 Retail purchase tax on jewellery, etc. (now 25% retail)
 Cosmetics and toilet preparations (now 25%)
 Luggage, hand bags, etc. (now 35%)
 Matches (various rates)
 Smokers' supplies, pipes, ashtrays, etc. (now 35%)
 Pens and pencils, desk sets, etc. (now 35%)
 Cigarette lighters (now 25%)
- (c) Tires and tubes - present taxes of 5¢ per pound being converted to 10% ad valorem tax.
- (d) No changes in taxes on liquor or tobacco or in general sales tax rate.
- (e) Minor additions to sales tax exemptions: malt syrup, lactose and off-the-highway vehicles.

The Minister included in a summary of accounts the following estimate of results for the fiscal year 1949-50:

FISCAL YEAR 1949-50
 (After Tax Changes)

Total Revenue (Estimated)....	\$ 2,477 million
Total Expenditure (Estimated)..	2,390 "
Surplus (or reduction in net debt)	87 "

TRADE DELEGATION TO FRANCE: The Secretary of State for External Affairs announced on March 24 the composition of the Canadian Delegation to the international conference on trade and tariffs which will open at Annecy, France, on April 8.

The Delegation will be headed by L.D. Wilgress, High Commissioner to the United Kingdom, and will include the following representatives: W.J. Callaghan, Commissioner of Tariff, Department of Finance, Louis Couillard, Department of External Affairs, H.R. Kemp, Department of Trade and Commerce, A.L. Neal, Department of Trade and Commerce, G.N. Perry, Department of Finance, S.S. Reisman, Department of Finance, Dr. A.E. Richards, Department of Agriculture, and B.G. Barrow, Department of Trade and Commerce, who will be Secretary to the delegation.

There will be two sets of meetings at Annecy. The first will be the Third Session of the Contracting Parties to the General Agreement on Tariffs and Trade. The General Agreement was negotiated at Geneva, in 1947, between 23 countries, including Canada, all of which are now applying the Agreement provisionally.

The second set of meetings will take the form of tariff negotiations. The purpose of these negotiations is to permit a number of other countries to join the General Agreement. Thirteen countries have indicated their desire to participate in these tariff negotiations. All of these new acceding countries will participate in tariff negotiations with each other and with the countries which are now Contracting Parties to the General Agreement.

The results of these negotiations will be incorporated in the General Agreement. If all 13 acceding countries are successful in arriving at satisfactory arrangements with all 23 Contracting Parties and with each other, the membership of the General Agreement will be brought to 36 countries.

FOREST CONSERVATION: Realizing the importance of the forest industry in Canada's economy, the Government has provided in estimates recently tabled in the House of Commons; approximately \$1,360,000 for the Dominion Forest Service of the Department of Mines and Resources. The Minister of Mines and Resources, Mr. MacKinnon, advises that these funds will provide for the advancement of forest conservation in Canada generally.

The Dominion Forest Service will conduct essential research to obtain and disseminate basic data on silviculture, including growth, yield and cutting methods, fire protection, and forest inventories designed to produce the optimum use and development of Canadian forest resources on the basis of continuous production.

FRUIT CROP VALUE: Canada's commercial fruit crop in 1948 had a total value of \$46,690,000, showing a slight increase over the 1947 figure of \$46,611,000, according to the Bureau of Statistics. Average prices of most fruits were higher this season than last. Averages for raspberries and grapes were down slightly, and those for strawberries and loganberries were unchanged.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on March 10 amounted to 140,294,000 bushels, showing a decline of 2,702,000 from the preceding week's figure, but 42,484,000 bushels in advance of the corresponding date last year, according to the Bureau of Statistics.