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WEEK'S EVENTS IN REVIEW

CROP PROSPECTS IMPROVE. Crop prospects in the Prairie Provinces have shown quite general improvement during the last two weeks. Near-normal temperatures, along with fairly well distributed rains, have promoted growth and improved the outlook for late-seeded crops particularly. Yields will be extremely variable however, in many areas of Saskatchewan and Alberta due to previous drought conditions and uneven germination. Harvesting of fall-sown grains is generally well advanced and is complete in many southern districts. Cutting and combining of spring grains will be general in Manitoba in a few days. Spring crops are particularly late in Alberta and harvesting will not be general for at least one to three weeks.

Favourable weather has prevailed in Manitoba during the past two weeks and crop prospects remain excellent. Most crops have filled well. Cutting of rye is completed in some districts and is well advanced over the southern part of the province. Swathing of coarse grains has commenced in many districts and harvesting of most early-sown crops is expected to become general within the next few days. Damage from insect pests and plant diseases is very light.

In Saskatchewan, the general appearance of crops has continued to improve as a result of favourable weather conditions throughout most of the past month. In most areas there is now sufficient moisture to carry early-sown grains to maturity and, provided that no extremes of high temperatures or hot drying winds are

experienced, most stands are expected to fill out well. With the exception of the area centering on Last Mountain Lake, crops east of the third meridian are for the most part fair to excellent; west of this line prospects are fair to poor. Rye harvesting is under way in all districts with preliminary outturns indicating the yield only slightly below average. Grasshopper damage is still heavy in central and western districts and sawfly losses are in evidence. The feed situation has continued to improve.

Crop prospects in Alberta have improved generally over the last two or three weeks as a result of recent rains and favourable weather conditions. Late-sown crops have shown particular improvement but the outlook is still variable due to earlier drought and uneven germination. Further rains and warm weather will be required in most parts of the province to promote maturity. Harvesting of fall-sown crops will soon be completed in south-eastern districts where good to fair yields are being reported. Cutting of spring grains is now under way in the south-east, but harvesting will not be at all general elsewhere for at least one to three weeks. Sawflies are active in early-seeded wheat in some areas and grasshoppers are damaging late cereal crops and flax.

Harvesting of fall wheat and fall rye in Ontario has been practically completed and over half the acreage of spring grains has been cut. Yields of fall wheat and fall rye are reported to be above average in nearly all

EASTERN ARCTIC PATROL The M. V. "Terra Nova", chartered by the Hudson's Bay Company, will sail August 8 from Montreal carrying supplies for Dundas Harbour on Devon Island and the settlements along the eastern and northern coasts of Baffin Island, it was announced August 5 by the Hon. James A. MacKinnon, Minister of Mines and Resources.

With Alexander Stevenson, an Ottawa official of the Northwest Territories Administration acting as Administrative officer, the vessel will undertake a portion of the duties of the Eastern Arctic Patrol, which in former years was carried out by the R.M.S. "Nascopie."

For many years, Canada has sent an annual expedition to the Canadian Eastern Arctic, which is reached by way of Hudson Strait and Baffin Bay, to replace personnel at R.C.M.P. posts, weather and radio stations, and medical and health centres, and to carry supplies and government inspection and health services to distant outposts of Canada in the Far North.

From 1933 to 1947, the Eastern Arctic Patrol covered about 10,000 miles annually, and was carried on the Hudson Bay supply vessel R.M.S. "Nascopie." This veteran ship was wrecked on a reef and lost off Cape Dorset in 1947, and this year the problem of supplying Arctic posts has been somewhat complicated pending completion of a new Government vessel which is expected to be ready for service on the 1950 voyage.

Six small vessels are being employed, in addition to the government ice-breaker "N.B. McLean." Four of the vessels are owned or chartered by the Hudson's Bay Company--the "Terra Nova" and "Clarendville", which will serve northern Baffin Island, and the "Eskimo" and "Earle Trader" which will serve southern Baffin Island and Baker Lake. The "Ice Hunter", operated by the Baffin Trading Company, will serve points in Ungava Bay. As already announced the "Regina Polaris", owned by the Hudson's Bay Vicariate Transport Limited, sailed from Montreal on July 10 carrying freight and a medical and inspection party to posts in Hudson Bay, Hudson Strait and Ungava Bay. The R.C.A.F. has undertaken to carry relieving personnel to northern Baffin Island posts.

ESQUIMALT GUNNERS' SCHOOL A permanent Army School for the study and instruction of anti-aircraft and coast artillery techniques has been established at Esquimalt, on Vancouver Island, it was announced in Ottawa.

To work with the school, the 129th Light Anti-Aircraft Battery, now at Picton, Ont., will be converted to heavy anti-aircraft and moved to the new Esquimalt school. Most coast artillery personnel presently on the West Coast will remain as part of the new school and will be joined by gunners from the East Coast and the anti-aircraft school at Picton. The moves are expected to take place in September and October, after completion of the summer's C.O.T.C. training program.

The new school is to be well equipped and is expected to make a real contribution to the gunners' science. It is planned that a proportion of C.O.T.C. cadets and Active Force recruits will be trained here in future.

The Esquimalt school, known officially as the Royal Canadian School of Artillery (Coast and Anti-Aircraft), will become Canada's third Active Force school of Artillery. The other two are the School of Artillery (Field, Medium and Anti-Tank), at Shilo, Man. and the school of Artillery (Anti-Aircraft), located at Picton, Ont.

FRUIT CROP REPORT Canada's fruit crops generally are about the same size as those of 1947, according to first estimates of production released by the Bureau of Statistics. The apple crop, currently estimated at 14,945,000 bushels, shows very little change from last year when the production was set at 14,931,000 bushels. Reduced pear crops in all producing provinces have resulted in a decline in the Canadian total of 22 per cent since last season, with production estimated at 753,000 bushels compared with 965,000.

The plum and prune crop, estimated at 619,000 bushels, is 20 per cent smaller than that of a year ago. Peaches, on the other hand, will be a heavier crop in both Ontario and British Columbia, and the Canadian total is expected to amount to 1,932,000 bushels or 16 per cent more than was produced last season. Apricots, which are grown commercially only in British Columbia, show a substantial increase this year at 184,000 bushels. The 1947 crop amounted to 159,000 bushels. There is little change in cherry production since last season, the crop standing at 312,000 bushels compared with 311,000 a year ago.

The strawberry crop, estimated at 26,967,000 quarts, shows an increase of approximately six per cent since last year. The raspberry crop is also heavier than that of a year ago and is estimated at 18,738,000 quarts compared with 18,035,000. Loganberries, which are produced commercially only in British Columbia, are much more abundant this year and the harvest is expected to amount to 2,091,000 pounds compared with 1,728,000. An increase of one per cent over last year's harvest brings the Canadian grape crop to 74,879,000 pounds.

CARLOADINGS Carloadings on Canadian railways for the week ended July 31 declined to 75,976 cars from 78,433 in the preceding week and 79,011 in the corresponding week last year, according to the Bureau of Statistics. The total for the eastern division decreased from 52,561 cars in 1947 to 50,851 cars, and the western division from 26,450 to 25,125 cars. Grain was down from 7,293 cars last year to 5,106 cars, grain products from 3,269 to 2,564, and l.c.l. merchandise from 17,987 to 17,349 cars.

MOTOR VEHICLES SHIPMENTS Factory shipments of Canadian-made motor vehicles in June totalled 23,362 units as compared with 21,368 in the preceding month and 21,137 in the corresponding month last year, according to the Bureau of Statistics. During the first six months of this year, 129,182 units were shipped as compared with 126,215 in the similar period of 1947.

Factory shipments in June comprised 13,990 passenger cars and 9,372 commercial vehicles, 11,988 of the former and 7,470 of the latter being shipped for sale in Canada, with the remainder for export. In the half-year period, 74,179 passenger units and 55,003 commercial vehicles were shipped from the factories. Passenger units shipped for sale in Canada numbered 63,400, and commercial vehicles, 40,601.

MR. CHEVRIER'S INSPECTION TOUR Honourable Lionel Chevrier, Minister of Transport, is leaving Ottawa Monday morning, August 9, for an inspection tour of airports and other departmental facilities in Northern Alberta and the Yukon. He will be accompanied by departmental officials. The Minister's itinerary will include a visit to the new airport constructed at Yellowknife and from there to Whitehorse, Y.T. Inspection will be made of the different airports on the Northwest Airway System on the trip from Whitehorse to Edmonton.

The Northwest Airway System was built by Canada early in the war before the Alaskan Highway was contemplated and the facilities offered by the airports on this system made possible the construction of the highway in record time. With the recent announcement that Canada was contemplating the establishment of regular airline service across the Pacific, the importance of the Northwest Airway System has greatly increased.

NAVAL APPOINTMENT The appointment of Commander Eric E. G. Boak, D.S.C., R.C.N., Victoria, B.C., as executive officer of the Royal Canadian Navy's Air Section at Dartmouth, N.S., was announced at Naval Service Headquarters. Commander Boak, who was promoted to his present rank earlier last month, has been navigating officer of the aircraft carrier "Warrior" since July 1946, transferring to the R.C.N.'s new flat-top "Magnificent" when "Warrior" was returned to the Royal Navy this spring.

GOLD PRODUCTION Production of gold in Canada in May totalled 285,566 fine ounces compared with 286,065 in April and 268,910 in the corresponding month last year, according to the Bureau of Statistics. During the first five months of this year the output totalled 1,394,308 fine ounces compared with 1,244,832 in the similar period of 1947.

RCAF SANCTIONS DOUBLE WINGS It has been decided that all RCAF aircrew are to wear double wings in the future. The new wings will be similar to the familiar Air Force pilots' wings. RCAF Headquarters, Ottawa, has announced that radio-officers and radio-navigators, who together with pilots, make up the present peacetime aircrew list, are to wear double wings, resembling those worn by pilots, but with distinctive centres indicating the aircrew branch.

First of the new radio-officers' wings have been awarded to classes which graduated from the RCAF's radio school at Clinton, Ontario. In place of the letters "RCAF" the centre of the pilots' wings, the radio-officers' brevet has three red flashes upon a black background. A similar wing, with a blue globe in the centre and one red flash, has been designed for radio-navigators.

Aircrew of the peacetime RCAF who have previously earned single wings will retain them until they have been trained as pilots, radio-officers or radio-navigators. In this way the now obsolete single wings will disappear gradually from use in the RCAF.

MILITARY JOURNALISM An interesting development in Canada's publishing industry is the steady rise in the number of military journals, despite demobilization after the war of all but a small fraction of the armed forces. Official, semi-official and independent magazines and papers of all types are now being published from coast to coast--testifying to a greater interest in military affairs than was the case in this country prior to the recent war.

In the Army, leaving out magazines and regimental papers, there are now four official papers--"The Sapper", published by Army engineers at Chilliwack, "District News", which covers Western Command news, the "Shilo Observer", which acts as official organ for the gunners in Canada and the newest in the group, the "Camp Borden Citizen", which has just commenced publication.

ROBERT BOUCHARD APPOINTMENT The Honourable James A. MacKinnon, Minister of Mines and Resources, announced August 6 that the Civil Service Commission has authorized the appointment of Robert Bouchard, of Montreal, as Administrative Officer with headquarters at Aklavik, Northwest Territories. Mr. Bouchard will be responsible for Departmental activities in and around Aklavik and will act as liaison officer with other Governmental agencies in the district.

SAWN LUMBER PRODUCTION Production of sawn lumber, excluding sawn ties, amounted to 504,601 M feet in May compared with 353,349 M in the preceding month and 448,623 M in the corresponding month last year.

DISPOSAL OF FORMER ITALIAN COLONIES

CANADA'S VIEWS: In common with other signatories of the Peace Treaty with Italy, Canada was invited on May 13, 1948, by the Secretary-General of the Deputies of the Council of Foreign Ministers to submit early in June its views on the disposal of the former Italian colonies. The invitation indicated that the Canadian Government, like other interested Governments, would enjoy the right to present supplementary views after it had had an opportunity to study the reports of the Four-Power Commission of Investigation which toured Eritrea, Italian Somaliland and Libya during the winter and spring. Canada's first statement, discussing the principles which should govern the disposal of the three territories, was submitted on June 7. Its supplementary statement, dated August 7, has now been submitted to the Deputies through the Canadian High Commissioner in London, according to a statement released August 9 by the Department of External Affairs. The supplementary statement indicates the manner in which the Canadian Government believes that the principles enunciated in its statement of June 7 should be applied.

EARLIER STATEMENT

In its earlier statement the Canadian Government expressed the view that the former Italian colonies come within the scope of Chapter XI of the United Nations Charter, which deals with dependent territories. Accordingly, in considering the disposal of the former Italian colonies, the interests of the inhabitants must be recognized as paramount. Arrangements for the future administration of the territories should therefore be based on the ascertained condition of each and on the needs and wishes of its inhabitants.

The reports of the Four-Power Commission of Investigation were recently circulated by the Deputies to the signatories of the Peace Treaty with Italy, and it is on a careful study of these reports that the supplementary statement of the Canadian Government has been based.

The Canadian Government has concluded that one of the first needs of the three territories is the continuation of outside assistance. In conformity with its statement of June 7 it therefore supports the application of the international trusteeship system to the former Italian colonies, except where the majority of the inhabitants desire incorporation in a neighbouring state or territory. On the basis of the information now before it, the Canadian Government has arrived at the following provisional views regarding the disposition to be made of the former Italian colonies.

The Canadian Government is disposed to support the designation of Italy as administering authority for the trust territory of Italian Somaliland. It assumes that the terms of the trusteeship agreement for this territory

will not preclude the establishment in due course of the closest possible economic, social and cultural relations among territories of East Africa which are uninhabited principally by peoples of Somali race.

The Canadian Government is inclined to support the union with Ethiopia of that portion of the highlands of Eritrea in which the majority of the people wish to be included in the Ethiopian Empire. The remainder of the territory would be placed under trusteeship. So far as the control of this area is concerned, Canada is not at present prepared to go beyond expressing support for the designation of the United Kingdom as administering authority. In the trusteeship arrangements for this area the Canadian Government would welcome the inclusion of clauses providing Ethiopia with free ports at Massawa and Assab and exempting Ethiopia from the payment of transit dues on goods moving to and from the free ports across Eritrean territory.

FAVOURS U.K. APPOINTMENT

The Canadian Government is not at present prepared to express a firm opinion on whether the former Italian colony of Libya should be established as a single trust territory or whether it should be divided into two separate trust territories of Tripolitania and Cyrenaica. If separatist sentiment in Cyrenaica is considered to be too strong to admit of the inclusion of that territory in a single trust territory of Libya, the Canadian Government would favour the creation of two separate trust territories. In this case Canada would support the choice of the United Kingdom as administering authority for Cyrenaica. Because of the close ties already existing between Cyrenaica and Tripolitania and because of the desirability of establishing even closer relations between the two territories, the Canadian Government would favour the appointment of the United Kingdom as administering authority in Tripolitania as well as in Cyrenaica.

For the same reasons, if a single trusteeship agreement for the whole of Libya is planned, the Canadian Government is disposed to support the choice of the United Kingdom as the administering authority for the territory. A trusteeship agreement for Libya might contain provisions for the development of autonomous provincial administrations in Tripolitania and Cyrenaica and for the group settlement of Italians in Tripolitania.

Each administering authority chosen by the Four Powers should submit as soon as possible to the General Assembly of the United Nations a draft trusteeship agreement for the approval of that body. Until the Assembly's approval has been given, the Canadian Government assumes that no major change will occur in the administration of any of the territories.

In drafting the terms of the trusteeship agreements, administering authorities should bear in mind the need of various regions for agricultural development by non-indigenous agricultural settlers familiar with modern methods of intensive farming. There exists in Italy a considerable body of displaced agricultural and industrial workers already familiar with living conditions in North Africa and East Africa. The Canadian Government accordingly considers that in areas where foreign agricultural and industrial settlers are needed and where Italian settlers are welcomed by the native inhabitants, facilities should be provided at an early date for the settlement in the areas concerned of former residents of Africa now living in Italy.

P.F.C.L.I. AIRBORNE UNIT: "The Princess Patricia's Canadian Light Infantry, Calgary, has been selected to be the first battalion to be trained as an airborne unit since the war," Major-General C.C. Mann, CBE, DSO, stated August 9 in an address to officers and men of the famous infantry unit at Currie Barracks. General Mann, Vice Chief of the General Staff, arrived August 8 from Toronto aboard an RCAF transport plane to make the announcement. The General, 43, qualified as a paratrooper himself last January.

COST-OF-LIVING INDEX: With a further rise in the food index, supplemented by moderate increases in clothing, homefurnishings and services, fuel and light, and the miscellaneous items indexes, the Bureau of Statistics cost-of-living index, on the base 1935-39=100, rose from 154.3 for June 1 to 156.9 for July 2. A year ago the index stood at 135.9 and at January 2 this year at 148.3. From August, 1939, to July 2 this year, the increase in the cost-of-living index was 55.7 per cent.

The food series moved up from 193.9 on June 1 to 201.3, due mainly to increases in meats, potatoes and eggs. At July 2 last year the food index stood at 159.8, the 12-month rise amounting to 41.5 points. Clothing index advanced from 174.8 to 175.4, homefurnishings and services from 162.0 to 162.8, fuel and light from 124.3 to 124.5, and miscellaneous items from 122.7 to 123.1. The rental index was unchanged at 120.9.

MOTOR VEHICLE SALES: Establishing a new monthly peak for 1948 and reversing a declining trend which had been in evidence during the two preceding months, sales of new motor vehicles advanced to 21,201 units with a retail value of \$41,646,360, according to the Bureau of Statistics. In June last year 20,688 units retailed for \$36,069,507.

The cumulative total of new vehicle sales for the first half of 1948 of 106,409 was slightly lower than the total for the same

period of last year (106,989); yet the retail value of \$204,730,096 in 1948 was substantially greater than the \$186,217,951 shown for 1947.

Passenger cars declined in physical volume of sales in June, numbering 12,463 units contrasted with 14,992 units for the same month last year. The value was \$25,207,534 compared with \$25,634,051. Trucks and buses showed an increase over the same month last year both in physical volume and retail value, sales totalling 8,738 involving \$16,438,826 as compared with 5,696 units at \$10,435,456.

PHYSICAL VOLUME OF INVENTORIES: Another step in the important but complex problem of supplying information on inventories has been taken by the Bureau of Statistics with the publication of a report "Physical Volume of Inventories in Certain Manufacturing and Mining Industries, January 1944 to April 1948."

The data presented in this report represent a combination of all information received by the Bureau on inventories. They are not complete for all industries; for example, no data are included on stocks in such important industries as textiles or iron and steel, and in certain other industries, as indicated in the report, the coverage is not sufficiently great that it can safely be taken as representative of changes in the total inventories in these industries. Because of limitations, the figures do not give a complete or true picture of total manufacturing inventories, but they do give valuable information on changes in the volume of stocks held in a number of important parts of the manufacturing field.

While the inventory figures are shown in estimated dollar values, these values are in terms of constant prices -- 1944 cost prices -- and consequently the figures reflect changes in the physical volume of inventories. Some measure of what is happening to the quantity of goods held in inventory is very important, particularly in such times as these when dollar value of inventories compared with the dollar value of a few years or even a few months ago can reflect substantial changes in prices as well as changes in quantity, says the Bureau statement.

Besides data on inventories, the report gives the ratio of stocks to shipments in the industries included. The ratio is expressed as the number of the current month's shipments which are held in stocks at the end of each month, and enables some judgment to be made as to whether stocks are increasing or decreasing in relation to the current rate of activity of the industry.

RCAF DIRECTOR OF SUPPLY: Air Force Headquarters has announced that Group Captain S.G. Cowan, OBE, of Victoria, B.C., has replaced G/C V.S.J. Millard, OBE, of Toronto, as Director of Equipment and Supply at Air Force Headquarters, Ottawa.

MR. ST. LAURENT CHOSEN LIBERAL LEADER

NATIONAL CONVENTION: Right Hon. Louis Stephen St. Laurent, former Minister of Justice and now Secretary of State for External Affairs in the Cabinet of Right Hon. W.L. Mackenzie King, was chosen to succeed Mr. King as Leader of the Liberal party at the National Liberal Convention in the Coliseum, Ottawa, Saturday evening, July 7.

Mr. St. Laurent was elected Leader on the first ballot, defeating Right Hon. J.G. Gardiner, Minister of Agriculture, and Hon. C.G. Power, former Minister of National Defence for Air. His over-all majority was 469 votes, the result of the vote being as follows; Mr. St. Laurent 848; Mr. Gardiner 323; Mr. Power 56.

RETIREMENT SPEECH

In his retirement speech the day previous, the Prime Minister, Mr. King, had made it clear that he was retiring not only as Leader of the Liberal Party, but as Prime Minister of Canada. Once the new Leader was chosen, Mr. King said, it was his intention to confer with him as to the time at which he should seek from His Excellency acceptance of his resignation as Prime Minister.

In addition to Mr. St. Laurent, Mr. Gardiner and Mr. Power, six other men were nominated but all withdrew before the balloting commenced. They were the Minister of Finance, Mr. Abbott; the Minister of National Health and Welfare, Mr. Martin; the Minister of Transport, Mr. Chevrier; the Minister of National Defence, Mr. Claxton; the Minister of Trade and Commerce, Mr. Howe, and Premier Garson of Manitoba.

The party platform which was adopted at the convention included 21 points.

The choice of Mr. St. Laurent as the new Leader of the Liberal Party ended exactly 29 years of leadership by Mr. King, who won the leadership on the same day three decades ago.

Aside from the selection of the new Leader and the discussions which took place on the various planks in the Party platform, the highlight of the Convention was the retiring speech of the Prime Minister on August 6.

In his address, Mr. King noted that the Convention met in serious times, stressed the need for nation-wide party organization, and reviewed briefly the comparative positions of the Liberal Party in 1919, when he assumed leadership, and today. He was gratified at the

attainment of a united party and said he left the leadership at a time when Canada enjoyed a level of employment and prosperity never hitherto experienced. And never, he said, had Canada enjoyed a higher place in the regard of the nations of the world.

After a review of the legislative accomplishments of the Party under his direction he declared Liberalism to be the "real bulwark of freedom," and concluded in part as follows:--

"The trend towards Totalitarianism, with the evils and terrors of which we are already all too familiar, is, I believe, the most serious of present-day world problems. For some time to come, this trend is certain to be as well the most dangerous of all. The supreme task of Liberalism today is to thwart the growth of Totalitarianism, and, by so doing, successfully to combat the menace of Communism.

MENACE OF COMMUNISM

"Communism is the greatest menace of our times, because Communism, more than all else, is destructive of Freedom -- the freedom of individuals and the freedom of nations. It is the most subtle of all evils, because its appeal is made in the name of Freedom, and it marches under the banners of Freedom. Its appeal is to the masses, whom it promises to deliver from their chains. It speaks in the name of enlarged opportunity and increased security. It asserts that its aim is world unity. It is, in reality, none of these. The immediate purpose of Communism is the complete control of the individual in the name of the State. Its ultimate aim is world domination. Beneath its mask are concealed the secret police, slave labour, and the concentration camp....

"It may be that, at any hour, the free nations may be called upon again, as twice already they have in the course of a single generation, to defend Freedom, not with their policies only, but with their lives. Nations have yet to decide which is to prevail: -- the law of blood and of death, even imagining new means of destruction, and forcing nations to be constantly ready for the battlefield; or the law of peace, work and health, ever evolving new means of delivering man from the scourges which beset him. Mankind has still to discover whether violent conquest or the relief of Humanity is to triumph in the end...."

BORDER TRAFFIC: Volume of highway traffic at the Canada-U.S. border in June was two per cent greater than the corresponding flow of traffic recorded in June 1947, according to the Bureau of Statistics. American traffic entering Canada in June was six per cent higher in 1948 than in 1947, and Canadian traffic returning from the United States was eight

per cent lower. The aggregate number of border crossings was 881,900, consisting of 689,300 foreign entries and 192,600 Canadian vehicles returning. Of the foreign inflow, 192,000 vehicles entered on travellers' vehicle permits, 479,700 were non-permit or local entries, and 17,600 were commercial vehicles.

RISE IN MANUFACTURING INVENTORIES

42.1 PER CENT TO APRIL: Total value of manufacturing inventories increased steadily during 1947 but levelled off during the early months of 1948, according to index numbers released by the Bureau of Statistics. The overall rise from December, 1946, to the end of January, 1948, was 40.1 per cent and to the end of April, 1948, was 42.1 per cent. This rise in the value of inventories reflects some element of price change. Though changes in the index of wholesale prices are not directly correlated with variations in the index of inventory values, it may be noted that the rise in the former during 1947 was 31.5 per cent, with a further rise of five per cent by the end of April, 1948.

Total consumers' goods inventories and two of its three main categories, non-durable and semi-durable consumers' goods, followed the trend of total inventories. Durable consumers' goods and capital goods inventories show a continued rise up to April, 1948, while inventories of producers' goods show some decrease in value since November, 1947. Construction inventories, which have fluctuated somewhat during the period covered, show a steadily rising trend through April, 1948.

CAPITAL GOODS

Among the main groups, inventories of industries producing capital goods showed the sharpest increase. This was entirely due to the large increase in inventories of the shipbuilding industry. Because of the nature of ship construction the inventory in this industry may include almost the entire value of

current production over a period of time up to the point where deliveries are made, and this must be borne in mind when considering that its inventory has increased by over 225 per cent during the period under review. In contrast, other capital goods industries have shown considerably smaller increases. In fact, in using the dollar value totals from which the individual index numbers are constructed, it is evident that there was an increase of only 37 per cent in capital goods inventories other than shipbuilding, or slightly less than the average for all industries. The producers' materials group shows a significantly less-than-average rise in the value of inventory, which, in view of the rise in prices, probably indicates some decline in stocks. The rise in the value of inventories of construction materials is probably more than balanced by the sharp advance in building materials' prices, indicating a decline in stocks in this group as well.

In the consumer goods, the leather tanneries show the greatest advance in value of inventories -- 86 per cent since December, 1946. While large inventories are normal during the winter months in this industry, the rise in the index of 39 per cent from November to December, 1947, reflects an increase in stocks due partly to unusually large cattle slaughtering earlier in the year and partly to the falling-off of sales when the rise in price of leather became effective last October. An increase of stocks is also apparent in the rubber industry.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on July 29 totalled 34,799,000 bushels compared with 36,601,000 on July 22 and 55,762,000 on the corresponding date last year, according to the Bureau of Statistics. Deliveries of wheat from farms in the Prairie Provinces during the week ended July 29 amounted to 2,851,000 bushels compared with 1,255,000 in the preceding week.

AIR MARSHAL EDWARDS HONOURED: The award of the United States Legion of Merit, Degree of Commander, to Air Marshal Harold Edwards, CB, former Air Officer Commanding-in-Chief, RCAF Overseas, was announced August 11, in Ottawa.

The award was made for A/M Edwards' outstanding co-operation with the American forces in Britain and particularly for his close liaison with the American Air Force while AOC-in-C.

A/M Edwards was born at Chorley, England in 1892. He came to Canada as a youth and enlisted in the Royal Canadian Navy at the out-

break of World War I. Later he joined the Royal Naval Air Service and flew as a pilot in France. He was taken prisoner and spent two years as a prisoner-of-war. Twice he escaped but each time was recaptured.

After the war A/M Edwards went to Russia where he served as a flying instructor. In 1920 he returned to Canada and joined the Canadian Air Force. In 1937 he commanded a detachment at the coronation of King George VI and in 1939 was in charge of Air Force arrangements for the visit of Their Majesties to Canada.

In Feb. 1940 he was appointed Air Member for Personnel of the Air Council of the RCAF and advanced to the rank of Air Commodore. In September, 1941 he was promoted to the rank of Air Vice Marshal and in November, 1941 became Air Officer Commanding-in-Chief of the RCAF Overseas. In June, 1942 he was raised to the rank of Air Marshal.

A/M Edwards retired from the RCAF in 1944 and at present is residing at St. Sauveur des Monts, P.Q.

UNITED NATIONS

INTERNATIONAL FOOD COMMITTEE: The Cereals Committee of the International Emergency Food Committee is holding its Fifth (1948) meeting in Ottawa August 11-12. This international Committee, consisting of members of twenty-eight nations, is responsible for making recommendations to the respective governments regarding the international distribution of all grains and their food products. Membership on the Committee, which is within the framework of the U.N. and its Food and Agricultural Organization, accounts for over 90 per cent of the international grain import trade.

The principal items on the agenda of the present meeting in Ottawa are the recommended distribution of breadgrains and coarse grains for the July-December 1948 period and a consideration of the 1948-49 cereal year's position. In connection with the years outlook it is significant to note that reports from member governments received by the Committee Secretariat, which is located at Washington, D.C. indicate another year of active export demand for North American and Australian supplies.

While production especially of bread grains in 1948 considerably exceeds the smaller harvests in importing countries a year ago, import demand continues at a high level. This situation results from the desire of importing countries to improve bread rations, reduce extraction rates, rebuild working stocks from the very low levels reached during the past two critical food years and to slacken the rigid grain collection programs in effect in some countries since the beginning of the war. Many countries are still giving wheat and rye the number 1 import priority even though domestic crops are much better this year.

Imports of coarse grains for feed for livestock rehabilitation are also featuring the 1948-49 outlook according to Committee information. Import requests from Europe are only slightly below the prewar annual import of 9-10 million tons. Many countries are planning substantial increases in hog and poultry production during the year. Because of the critical world food situation since the end of the war, coarse grains have had to be used to a maximum extent possible as a substitute for bread grains in order to meet bread rations of importing countries.

W.H.O. COMMENDED: The Social Committee of the Economic and Social Council took up on August 9 the report of the Interim Commission of the World Health Organization and adopted a resolution suggested by the Chairman, Leonid Kaminsky (Byelorussia) which expresses the Council's satisfaction with the report and which transmits to the W.H.O. Assembly a brief

summary of E.C.O.S.O.C. discussions. All speakers paid tribute to the excellent work and usefulness of the W.H.O., reports the U.N. Press Bureau.

Dr. George F. Davidson (Canada) welcomed the projected development of W.H.O. regional outposts which would reach out to different parts of the world. He stressed the need for the closest possible coordination between the W.H.O. and the International Children's Emergency Fund.

MR. THOMSON TO OSLO: Canada's top weatherman, Andrew Thomson, Controller, Meteorological Division, Department of Transport, left August 9 for Oslo, Norway, to attend meetings of the Executive Council of the International Meteorological Organization. It is hoped, said Mr. Thomson, that plans will be completed at these sessions for the first meeting of the World Meteorological Organization and the drafting of an agreement with the United Nations.

Discussions will continue with many of the problems arising from the meetings held in Toronto in August 1947. The financing of the organization itself and such international projects as weather reporting facilities in Iceland will be discussed.

Mr. Thomson will be one of the Canadian delegates to the International Union of Geodesy and Geophysics to be held in Oslo. The Eighth General Assembly meets there on August 17 - 28 to co-ordinate methods and procedures in geophysics and geodesy on an international level.

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districts, and indications are that spring grain crops will also be generally excellent. Favourable weather during the past two weeks has facilitated cutting, combining and threshing operations and has enabled farmers to bring to a close an unusually prolonged haying season. Hail on July 27 caused some damage to parts of the tobacco crop and to spring grains at scattered points in south-western Ontario and in Temiskaming.

According to the Ontario Department of Agriculture, Kenora is practically the only area in Ontario reporting poor grain yields this year. Most of the specialized crops---tobacco, dry beans, soy beans, corn and potatoes -- have shown improvement and indicate satisfactory yields.

With the exception of some areas in the lower St. Lawrence and the Abitibi district, Quebec weather conditions have been dry and warm during the past two weeks. As yet the harvesting of hay has not been completed. Although the average yield per acre is somewhat smaller than a year ago, it is considered satisfactory.