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WEEK'S EVENTS IN REVIEW

DELEGATION TO UN: The Secretary of State for External Affairs, Mr. Pearson, on August 19, announced the composition of the Canadian Delegation to the Fourth Session of the General Assembly, which meets in New York on September 20. The Delegation is as follows:

Representatives:

- The Honourable L.B. Pearson, M.P. - Secretary of State for External Affairs, Chairman of the Delegation.
- The Honourable Paul Martin, M.P. - Minister of National Health and Welfare.
- General A.G.L. McNaughton - Permanent Delegate of Canada to the United Nations.
- Senator the Honourable Cairine R. Wilson.
- Hugues Lapointe, M.P. - Parliamentary Assistant to the Secretary of State for External Affairs.

Alternate Representatives:

- A.D.P. Heeney, Under-Secretary of State for External Affairs.
- S.D. Pierce, Associate Deputy Minister of Trade and Commerce.
- Leon Mayrand, Assistant Under-Secretary of State for External Affairs.
- R.G. Riddell, Department of External Affairs.
- Major General E.L.M. Burns, Assistant Deputy Minister of Veterans Affairs. (General Burns is Chairman of the Administrative Committee of the United Nations Association in Canada.)

The Secretary-General of the Delegation will be John K. Starnes of the Canadian Permanent Delegation in New York. Advisers to the Delegation will be drawn from officials in Ottawa and from the Canadian Permanent Delegation. The General Assembly, which has at the present time 60 items on its provisional agenda, is expected to last two months or more.

WASHINGTON CONFERENCE: The Prime Minister, Mr. St. Laurent, announced on August 19 the names of the Canadian Ministers who would be attending the Tripartite financial and economic discussions in Washington between Canada, the United Kingdom and the United States. The meetings of Ministers will begin on September 6.

Canadian Ministers attending the conference will be the Minister of Finance, Mr. Abbott and the Secretary of State for External Affairs, Mr. Pearson. Questions may arise which will make it desirable for the Minister of Trade and Commerce to join Mr. Abbott and Mr. Pearson.

During the week preceding the ministerial meetings discussions will be held between officials of the three countries. Canadian officials participating in these preliminary discussions will be headed by Norman A. Robertson, Secretary to the Cabinet, and will include: Hume Wrong, Canadian Ambassador in

UNIVERSITY GRADUATES: In reviewing a report of the Executive and Professional Division of the National Employment Service on the placement of university graduates and under-graduates in 1949, the Minister of Labour, Mr. Mitchell, paid tribute to the employers of Canada for their co-operation in seeing that the 1949 class was properly absorbed by Canadian industry.

The Minister said, "Thanks to the splendid co-operation of all concerned, more than 93 per cent of the largest university graduating class in Canadian history was placed in employment by the middle of July."

The Minister pointed out that 50 per cent of the graduates were veterans of World War II.

In addition to this, more than 94 per cent of the under-graduates, many of whom were also veterans, were placed in summer employment by this date.

The Minister said that it could be reasonably expected that by this date the majority of the remaining graduates and under-graduates had found suitable employment.

CARRY-OVER WHEAT STOCKS: Total stocks of Canadian wheat in all North American positions on July 31--end of the 1948-49 crop year--were 98.7 million bushels, of which less than 70,000 bushels were held in the United States, according to the annual report on the carry-over stocks of Canadian grain issued Aug. 18 by the Bureau of Statistics in co-operation with the Board of Grain Commissioners. This total compares with a revised estimate for July 31 last year of 77.7 million bushels, including approximately 35,000 bushels in the United States.

Stocks of Canadian wheat at the end of the recent crop year were, therefore, up 21.0 million bushels or 27 per cent above last year's total. This is the fourth consecutive year, the Bureau report points out, in which crop-year-end carry-over stocks have fallen below the 100-million bushel level. For the 20-year period, 1929-1948, the average July 31 carry-over of Canadian wheat was 205.3 million bushels, considerably in excess of current levels.

Data for the report on grain stocks are obtained from the Bureau's annual July 31 survey of grain held on farms, from mill returns and from information supplied by the Board of Grain Commissioners relative to stocks of grain in commercial positions. The statistics of total stocks given in the report differ from the July 31 visible supply figures by the inclusion of farm stocks and certain mill stocks.

Total stocks of Canadian oats on July 31 were 59.1 million bushels, of which 48.4 million were held on farms. Last year's total oat stocks were 47.9 million bushels, with 37.6 million in farmers' hands. Barley stocks in all positions this year amounted to 29.0 million

bushels, of which 18.5 million were on farms. Comparable figures for July 31, 1948, were 31.4 million and 17.4 million bushels, respectively. No Canadian oats and only 112,000 bushels of Canadian barley were held in United States positions at the end of July this year. Sharp increases have occurred in this year's carry-over stocks of both rye and flaxseed. On July 31, rye stocks were almost 12 million bushels as against 0.9 million a year ago, while flaxseed stocks of 10.7 million bushels were more than three times last year's carry-over of 3.4 million bushels.

CANADIAN LABOUR INCOME: Canadian labour income in May amounted to \$619,000,000, showing an increase of \$12,000,000 over the preceding month, and \$49,000,000 or nine per cent above May last year, according to the monthly estimate by the Bureau of Statistics.

Increases in labour income occurred during the month in all industrial sectors with the exception of manufacturing, where a slight decrease took place; this was affected by a comparatively short work-week at the end of May.

Employment conditions in the nine leading non-agricultural industries continued to improve, the index of employment advancing from 188.0 on May 1 to 193.1 on June 1. On the other hand, average weekly earnings for the same industries declined from \$43.10 on May 1 to \$42.31 on June 1. This drop, however, was overbalanced by the better employment situation, resulting in a higher Canadian labour income figure for the month.

FORMER CHAPLAINS HONOURED: The Minister of National Defence, Mr. Claxton, on August 19, announced high awards by Her Majesty Queen Juliana of the Netherlands to two former Assistant Principal Chaplains of the First Canadian Army.

Made Commanders in the Order of Orange Nassau are Honorary Colonel Kenneth Elder Taylor, OBE, ED, of Vancouver, and Honorary Colonel Maurice Legendre Roy, OBE, of Quebec City.

The awards were granted by Queen Juliana "in recognition of outstanding service amongst the liberated forces and the population of the Netherlands" when Cols. Taylor and Roy were Assistant Principal Chaplains, Protestant and Catholic respectively, at First Canadian Army Headquarters.

H/Col. Roy is now the Most Rev. M.L. Roy, Archbishop of Quebec, and Bishop Ordinary to the Canadian Armed Forces. He was called to active service as Chaplain of the Royal 22nd Regiment in December 1939, and went overseas with the unit the same month. He became Deputy Assistant Principal Chaplain (Roman Catholic) at 1st Canadian Corps Headquarters in August 1941, and Assistant Principal Chaplain at Army Headquarters in March 1944.

H/Col. Taylor served in the ranks and as a commissioned officer in the Great War 1914-19. In the Second World War he served as a chaplain with the Elgin Regiment, the Grey and Simcoe Foresters, the 5th and 2nd Divisions and at HQ 2nd Canadian Corps, before going to First Canadian Army Headquarters. He is now Principal of the Anglican Theological College of the University of British Columbia, and recently reverted to the honorary rank of major at his own request to become chaplain at HQ 15th Infantry Brigade in Vancouver.

WHOLESALE SALES: Dollar sales of wholesalers were seven per cent higher in June than in the same month last year, and two per cent above the dollar volume for May this year, according to returns submitted by 369 wholesalers representing nine lines of trade. Cumulative sales for the first six months of this year were five per cent over the volume for the corresponding period of 1948.

According to the Bureau of Statistics, the general unadjusted index, on the base 1935-39=100, stood at 309.4 for June, 303.0 for May, and 290.0 for June last year.

Continuing the trend of the past few months, the Prairie Provinces in June recorded the greatest increase over June last year with sales up 10 per cent. Ontario and British Columbia followed with gains of eight per cent and seven per cent, respectively. Wholesalers in Quebec recorded an increase of two per cent in dollar volume of sales, while practically no change was registered in the Maritime Provinces.

Stocks held by wholesale grocers at the beginning of June are normally 20 per cent in excess of sales in that month (based on the average for the years 1936-1942). This year they were valued one per cent lower than the sales for that month, whereas last year stocks were four per cent in excess of the June sales.

NEWFOUNDLAND LIEUTENANT-GOVERNOR: The Prime Minister, Mr. St. Laurent, announced on August 17 that Sir Albert Joseph Walsh is resigning as Lieutenant-Governor of Newfoundland, with effect from September 5 and that his Excellency, the Governor General has appointed Sir Albert Chief Justice of the Supreme Court of Newfoundland, with effect from the same date.

His Excellency, the Governor General has, also, been pleased to approve the appointment of Sir Leonard Cecil Outerbridge, C.B.E., D.S.O. of St. John's, to be Lieutenant-Governor of Newfoundland. It is intended that Sir Leonard will take the oath of office in St. John's on September 5, and enter upon his new duties on that date.

The Prime Minister announced, also, that His Excellency, the Governor General, has approved the appointment of Ray Petton, Esquire of St. John's, Major Alexander Boyd Baird of

St. John's, and George Joseph Penny, Esquire, of Ramea, to be Members of the Senate for the Province of Newfoundland. Three further seats in the Senate still have to be filled for the Province of Newfoundland.

TRADE COMMISSIONER SERVICE: Since the war Canada's trade commissioner service has steadily expanded, until today there are 90 senior officers and assistants working abroad from offices located in some 40 countries, according to a statement issued Aug. 19 by the Minister of Trade and Commerce, Mr. Howe. This expansion has permitted a more intensive examination of some of the smaller and lesser-known markets, with a view to finding new customers for the products offered by Canadian exporters.

Examples of these intensified efforts in new or smaller markets were the opening recently of a trade office in Istanbul, Turkey; regular visits to Iran by the trade commissioner in Pakistan; and similar visits by other officers located in main trading centres to the more remote parts of their territories with a view to stimulating business with Canada. Coming closer home, Mr. Howe referred to the assignment of trade officers to be attached to the Canadian Consulates at Boston and Detroit, in order to improve the services offered to Canadian businessmen seeking outlets for their products in those parts of the United States.

As recently announced, Frederick Palmer, former Commercial Counsellor at Stockholm, Sweden, will open a new office this year in Manila, Philippine Islands. This market was formerly covered from the office in Hong Kong. Mr. Maurice Belanger will also be transferred shortly from his post as Commercial Secretary in Rio de Janeiro, Brazil, to assume the duties of Trade Commissioner in Madrid, Spain, hitherto included in the territory of the office in Lisbon, Portugal. In both cases it is hoped that the more intensive efforts of resident trade commissioners will produce increased results.

Similar redeployment of Canada's trade officials abroad is being studied in order that the Foreign Trade Service may continue to render practical assistance to Canadian businessmen in their search for markets.

DEPARTMENT STORE SALES: Department store sales declined eight per cent during the week ending August 13 as compared with the corresponding week last year, according to preliminary figures issued by the Bureau of Statistics. All regions of the country participated in the decrease except Saskatchewan up one per cent, and Alberta which was unchanged. Ontario showed a drop of 13 per cent, followed by Manitoba down nine per cent, Quebec seven per cent, and the Maritimes four per cent.

(C. W. B. August 26, 1949)

NEW CANADA - U.K. AIR AGREEMENT

NEW ROUTES AND RIGHTS: The Minister of Transport, Mr. Chevrier, and the Secretary of State for External Affairs, Mr. Pearson, on August 19, announced signature of a new civil aviation agreement between Canada and the United Kingdom. The agreement which was signed in Ottawa on August 19 by Mr. Chevrier and by the United Kingdom High Commissioner in Canada, Sir Alexander Clutterbuck, replaces existing air agreements and arrangements between Canada and the United Kingdom and in addition makes provision for certain new routes and new traffic rights.

For convenience Mr. Chevrier reviewed the main features in the new agreement, a statement on which had previously been issued, adding thereto certain information with regard to new Canadian stops in the Caribbean which had not previously been made public. Mr. Chevrier's statement was as follows:

The new agreement differs substantially in form from those previously in effect between the two Governments. It follows a standard pattern that has been developing in bilateral air agreements over recent years known as the "Bermuda" pattern but it simplified that pattern substantially by omitting much material commonly included in bilateral agreements but now covered in the multilateral Convention on International Civil Aviation and therefore considered unnecessary in a bilateral agreement. The article governing the capacity of air services to be operated is, in the new agreement, the article on capacity which was tentatively agreed at a special Conference on the International Civil Aviation Organization held in Geneva in 1947. This article based on the earlier "Bermuda" pattern represents a step forward in regulation of capacity but has not yet come in general use by other countries in their bilateral air agreement.

Air services operated under the previously existing agreements between the United Kingdom and Canada are continued under the new agreement. These involve:

1. A Canadian service (Trans-Canada Air Lines) from Montreal to the United Kingdom.
2. A United Kingdom service (British Overseas Airways) to Montreal.
3. A Canadian service (Trans-Canada Air Lines) from Montreal and Toronto to Bermuda, the Bahamas, Jamaica and Trinidad.
4. The right to operate a British service from Bermuda and the Caribbean Islands to Montreal (this right not to be exercised before 1951).
5. Provisional rights for a Canadian service (Canadian Pacific Air Lines) at Fiji on its route to Australasia.
6. Recognition of reciprocal rights for the United Kingdom at Vancouver from

Fiji (British Commonwealth Pacific Air Lines in which the United Kingdom is a partner operates this service).

In addition the new agreement covers certain important new traffic rights and routes. It includes for the first time between the two countries the principle of fifth freedom or intermediate traffic rights. Hitherto the air lines both of Canada and the United Kingdom were in the services described above limited to third and fourth freedom traffic, that is, traffic travelling between their respective territories but not traffic to and from other intermediate countries. Now the agreed routes make provision for the carriage by each of this intermediate traffic.

Spelled out in detail the new routes and the changes in routes made in the new agreement are as follows:

1. Trans-Canada Air Lines on its service to the United Kingdom from Montreal and Gander is able to carry traffic between the United Kingdom and Ireland, the Azores and Iceland.
2. Canada is given full traffic rights at Hong Kong on a new route (which will be operated by Canadian Pacific Air Lines) from Vancouver through Alaska, the Aleutians, to Japan, China, Hong Kong and beyond.
3. Canada also has full traffic rights at Fiji on its new route from Vancouver to Honolulu and on to Australia (Canadian Pacific Air Lines).
4. Trans-Canada Air Lines on its route to Bermuda and the British Colonies in the Caribbean area is granted rights in Barbados, Antigua and British Guiana and is also granted the right to carry traffic from intermediate points in third countries (e.g. Tampa-St. Petersburg which was opened up to T.C.A. in the recent agreement with the United States) to the British territories on this route. The United Kingdom will in return have similar rights in Canada from these new British points of call although they too will come under the existing arrangements under which the United Kingdom agrees not to exercise any reciprocal rights to the Caribbean before 1951. The arrangements with regard to points of call and traffic on this route for T.C.A. will in certain instances be subject to ratification by Colonial legislatures.

On the United Kingdom side the following changes are made:

1. On the North Atlantic, British Overseas Airways Corporation is allowed to carry traffic between Canada, Ireland, Iceland and the Azores.
2. British Overseas Airways on its present route to Montreal is also allowed to

make a traffic stop at Gander but not to carry traffic between Montreal and Gander. (Trans-Canada Air Lines enjoys similar privileges at both Prestwick and London in the United Kingdom).

3. The United Kingdom is also granted full traffic rights at Gander on a North Atlantic route to New York and beyond and to Bermuda and beyond.
4. United Kingdom is granted traffic rights at one of Churchill or The Pas, Manitoba, on a route from the United Kingdom through Goose Bay, Labrador, to Alaska, Japan, China and Hong Kong. It is not expected that this route will come into operation for several years.

VEHICLE ENTRIES INCREASE: Volume of highway traffic crossing the boundary between Canada and the United States--excluding points of entry into Newfoundland--was 12 per cent greater in June than in the same month last year, according to the Bureau of Statistics. American traffic entering Canada was up eight per cent and Canadian traffic returning from the United States increased by 27 per cent.

The aggregate number of border crossings in June was 985,700, consisting of 741,700 foreign entries and 244,000 Canadian vehicles returning. Of the foreign inflow, 221,000 vehicles entered on traveller's vehicle permits, 501,100 were non-permit or local entries and 19,600 were commercial vehicles. The Canadian traffic comprised 28,200 units remaining abroad for more than 24 hours, 198,600 staying for shorter periods and 17,200 commercial vehicles.

Cumulative totals for the first six months of this year place highway border crossings at 3,743,000 as compared with 3,362,100 in the similar period last year showing an advance of 11 per cent. As in June, a large part of the rise was due to increased volume of returning Canadian traffic, up from 846,100 a year ago to 1,107,000. In the same period, United States entries rose from 2,516,000 a year earlier to 2,636,000.

FINANCIAL STATEMENT: The Minister of Finance, Mr. Abbott, released on August 20 the regular monthly statement of the Comptroller of the Treasury, covering revenues and expenditures of the Government of Canada for the month of July.

Total revenues of the Government for the month of July amounted to \$204.8 million, compared with \$219.0 million for the same month last year. This brought total revenue receipts for the first four months of the current fiscal year to \$878.8 million, compared with \$920.3 million for the same period a year ago.

The Comptroller's statement also shows total expenditures for the month of July of \$153.8 million, an amount almost identical

with the corresponding figure for July, 1948. Total expenditures for the first four months of the fiscal year amounted to \$624.8 million, compared with \$532.4 million for the same period last year. For July the excess of revenues over expenditures, or the budgetary surplus, amounted to \$51.0 million; for July, 1948, the budgetary surplus was \$64.9 million. For the first four months of the current fiscal year the Government's budgetary surplus was just under \$254 million, or approximately \$134 million less than for the same period a year ago.

In addition, there were non-budgetary expenditures, that is to say, outlays for loans, advances and investments, amounting to \$79.4 million in the first four months of the current fiscal year, compared with similar outlays of \$82.0 million in the same period a year ago.

CHALK RIVER VISIT: It was announced in Ottawa and Washington on August 22 that two members of the United States Congressional Joint Committee on Atomic Energy paid a courtesy visit to the Canadian atomic energy establishment at Chalk River on August 20-21. Senator W.F. Knowland (California) and Representative H.M. Jackson (Washington) were accompanied by Mr. H. Bergman, Deputy Director of the Joint Committee, Mr. E.L. Heller of the staff of the Joint Committee, and by Mr. Jesse Johnson, Deputy Director of the U.S. Atomic Energy Commission's Raw Materials Division.

With the approval of the Canadian Government, the members of the Joint Committee discussed with the Canadian officials concerned, the administration of the Canadian pile, the management of the townsite which has been built for those working at Chalk River, and other similar subjects of mutual interest.

The party was taken to Chalk River by Dr. C.J. Mackenzie, President of the National Research Council and Chairman of the Atomic Energy Control Board.

MILITARY DEMONSTRATIONS: A variety of equipment and materials representing virtually every phase of naval military and air operations will be on display at the Canadian National Exhibition in Toronto, opening this week, it was announced at Defence Headquarters on August 22.

The Armed Forces participation will include individual and tri-service demonstrations and displays and will take place in the air, in the grandstand show, on the waterfront and in the Services' allotted exhibition space.

A specially trained squad of 63 recruits-21 from each service plus an additional 27 alternates--will stage a precision drill daily during the grandstand performance. They are representative of every part of Canada.

COTC CADETS: The Army has lopped months of study off the course leading to a commission in the Reserve Force for university students enrolled as officer cadets in the Canadian Officers Training Corps.

The cadets now are required to complete two theoretical phases of training instead of three to qualify as lieutenants in the Reserve. They must, however, also have completed two practical phases of training.

The theoretical training takes place during the academic year at the various colleges and universities. Practical training is carried out for periods up to 16 weeks during summer vacation at the various Active Force schools and units.

Qualification for the rank of captain in the Reserve or lieutenant in the Active Force remains unchanged at three theoretical and two practical phases of training.

NORTHERN SURVEYS: Canadian Army survey parties operating in the far north have been hampered by adverse weather conditions this summer but likely will finish their work on schedule, an officer of the Army Survey Establishment in Ottawa said this week.

He said that parties operating in the Yukon were the hardest hit and only recently got started--weeks later than usual--after being slowed down by particularly heavy snows.

"It's been a tough year all around," the officer said, adding that some of the 70 soldiers on the 15 field parties have been working in mountainous country where there has been as much as 15 feet of snow.

He felt that there was little likelihood of them being unable to finish what they set out to do. Many of the parties have reported that they already have begun the final stage of their work preparatory to "coming out" for the winter.

They usually get their final air-drop of supplies about the third week in August.

CARLOADINGS: Carloadings on Canadian rail-ways for the week ending August 13 totalled 74,192 cars compared with 69,048 cars in the preceding week and 75,971 cars in the 32nd week of last year, a decline of 1,779 cars or 2.3 per cent, according to the Bureau of Statistics. Eastern division volume was off from 51,202 cars to 46,519, while western loadings advanced from 24,769 to 27,673 cars or by 11.7 per cent.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on August 11 amounted to 52,892,700 bushels compared with 55,259,600 on August 4 and 35,778,200 on the corresponding date last year, according to the Bureau of Statistics.

HARVESTING REPORT: Generally excellent progress in harvesting has been made throughout the greater part of the Prairie Provinces during the past two weeks. While scattered showers have caused some delay, harvesting operations are now general except in northern Alberta. Above-normal temperatures during the past week in all three provinces have hastened maturity of grains but only moderate damage is reported from premature ripening.

Excellent progress in harvesting has been made in Manitoba with continued hot weather and only scattered showers. In the southern sections of the Province cutting is nearly completed and one-third to one-half of the crops has been threshed. Over the remainder of the Province cutting is well advanced and threshing is under way. Continued hot weather has hastened maturity causing reduction in grade and yield particularly of late coarse grains. The wheat sample is reported as mostly No. 1 to No. 3 Northern.

Continued hot weather in Saskatchewan has hastened ripening and considerable progress has been made with harvesting operations in all districts. About 40 per cent of the wheat and 35 per cent of the coarse grains are now cut or swathed and threshing is about 15 per cent completed. Yield outturns thus far are substantiating the recent production estimates.

ALBERTA CONDITIONS

Over most of Alberta harvesting is under way, and with continued favourable weather will become general within the week. Over much of central Alberta second growth will prolong the harvesting of grain although crops are reported to be ripening fast. In the southwestern and Peace River areas, crops are fair to good and harvesting is progressing satisfactorily. Elsewhere in the Province crops are reported as poor to fair.

Harvesting of spring grains is practically completed in the greater part of southern Ontario. While yields are somewhat below normal they are generally much above earlier indications. After-harvest cultivation is general and, if moisture conditions improve, the acreage to be seeded to fall wheat should equal or exceed that sown last year. Prospects for late-sown crops continue to be generally satisfactory.

During the past two weeks drought conditions have prevailed throughout most of Quebec and crops have deteriorated considerably.

Rains on August 19 relieved the drought in the Annapolis Valley of Nova Scotia and already all crops are beginning to improve. Good crops of apples, plums and peaches are expected. In New Brunswick the potato, grain and apple crops in the upper Saint John Valley are very promising.

In British Columbia showery, overcast weather has delayed harvesting of cereal crops.

MR. PEARSON URGES MULTILATERAL WORLD TRADE

FLOW MUST BE RESTORED: Following is the concluding portion of the address delivered by the Secretary of State for External Affairs, Mr. Pearson, at the official opening of the Central Canada Exhibition, Ottawa, on August 22:

"...The difficulties which are to be discussed in Washington arise out of what is often referred to as the dollar shortage. That is an easy expression of the problem which may be misleading in its simplicity - as is so often the case when we try to bundle up complicated and awkward political and economic problems in neat and tidy phrase packages, like "convertibility", "devaluation" and "dollar shortage" - phrases which are at times used as glib substitutes for understanding or knowledge. The dollar shortage is, of course, real enough but it is the result, not the cause, of the present difficulties. The difficulties themselves arise out of the present lack of balance between world production and world distribution. This, in turn, is largely due, either directly or indirectly, to the war; or rather to the uneven impact of the destruction and dislocations brought about by the war, which left certain countries - normally great importing countries - much more crippled and shaken than the great North American supplying countries. The old European world was smashed; the new world hardly dented by war. And in the old world the smashing was uneven and the recovery consequently uneven. This inevitable lag by Europe in the post war competitive race has, according to a well-known British economist and editor, Miss Barbara Ward, been accentuated by three things, as follows:

"The first is the division of the highly industrialized western fringe of Europe into nineteen or twenty separate nationalist economies. The second is the tendency of European businessmen to use those divisions as protective barriers and as a result to allow the competitive edge to be taken off the economic system... The third was the false assumption about work and productivity held by the mass of organized labour."

"This problem, thought of not merely as a dollar shortage, but as one involving a possible breakdown in world trade, has no quick or easy solution. There is no rabbit to be pulled out of this particular hat - in Washington or anywhere else. On the contrary, unless counsels of good sense and understanding prevail, a much less peaceful and amiable animal might emerge. There seem, in fact, to be political and press conjurers on both sides of the Atlantic who are making at the moment some unfortunate and ill-timed passes which can only encourage this unhappy result.

"As the governments concerned face these serious financial and economic problems in the

days ahead, it will, of course, be tempting for each to concentrate on what seems to be a particular source of trouble outside its own jurisdiction. This makes it easier to follow the tempting but not always wise course of seeking a remedy in action to be taken by someone else. This is nationally comforting and conscience-easing, but is likely to do more harm than good in the search for a solution, a search which will require long, and friendly co-operative effort.

"The fact is that we are faced with a tough, long-range problem which is as political as it is economic; which is in some ways as novel as it is complicated and for which there is no single or simple remedy. A return to the freedom of trade of 1914 would not do it because the political and economic conditions of that age have disappeared, possibly for good. At the other extreme is the remedy of total control of trade by governments, which in the conditions of today would inevitably mean control exercised through bilateral deals. Some short-range emergency measures, on a restrictive and bilateral basis, may now be unavoidable for a country in the present position of the United Kingdom, but as we see it here there is no salvation to be found in this approach, which inevitably tends to limit the areas of exchange and subsidize high cost production.

MULTILATERAL FLOW

"Somehow or other the flow of goods multilaterally must be restored and this can only be done by a concerted effort based on friendly understanding and working together in the part of the new world and the old. This will involve a re-examination of economic policy by all the countries concerned in the light of the present situation. It will also mean that any new measures taken over here which will assist European recovery must be met by measures on the other side which will give the necessary assurance that any assistance given will be effective. All this may mean that immediate concessions will have to be made - all round - for ultimate advantages to all. Dollar countries will have to encourage imports by enlightened government action while countries like the United Kingdom will have to take the steps necessary to get into a competitive export position.

"Above all, as we see it in Canada, emergency restrictive measures which may now have to be taken in sterling countries should not lead to the establishment of practices and policies which will become ends in themselves rather than merely means to an end; the end being the restoration of world trade on a freely convertible basis. If certain trading areas are allowed to become frozen, this may force other areas into following the same

negative and restrictive principles. This would be more than stupid. It would be a tragedy if the western democratic world, on the very morrow of the Atlantic Pact which marked so encouragingly the end of political isolation, substituted for that isolation a form of economic isolation through the formation of dollar and sterling blocs, looking at each other with irritation and suspicion over mounting trade barriers and diminishing trade returns. No one could possibly benefit from such a development except those patient calculating gentlemen behind the Kremlin walls and their agents throughout the world. Their ill-concealed satisfaction over this possibility should be our warning not to permit it to happen...."

(Continued from P. 1)

Washington, M.W. Mackenzie, Deputy Minister of Trade and Commerce, L. Rasminsky, Chairman (Alternate) of the Foreign Exchange Control Board, J.J. Deutsch, Director, Economic Relations Division, Department of Finance, A.F.W. Plumptre, Head of the Economic Division of the Department of External Affairs.

HOURLY EARNINGS: Average weekly wages of hourly-rated wage-earners employed by leading Canadian manufacturing establishments at June 1 stood at \$40.43 as compared with \$41.91 at the beginning of May, the decrease being due to shorter hours, resulting in the main from the observance of holidays. In the heavy manufactured goods class, the weekly wage figure was \$43.77 as compared with \$45.35 a month earlier, while in the non-durable goods division the average was \$37.15 compared with \$38.37.

The average hourly earnings reported by the larger manufacturing establishments at June 1 reached a new maximum figure of 99.1 cents, a gain of half a cent over the figure recorded for the week of May 1. Wage-earners in the durable goods group received an average of 106.5 cents per hour as compared with 106.2 a month earlier. In the light manufactured goods division, the hourly earnings rose by four-fifths of a cent to a new maximum of 91.5 cents, the Bureau of Statistics reports.

VEHICLE ENTRIES UP: The number of foreign vehicles entering Canada on traveller's vehicle permits -- excluding points of entry into Newfoundland -- was 11 per cent greater in July than in the same month last year. The greatest proportionate gain was shown in the Western Provinces and the Maritimes where traffic showed gains of 25 and 20 per cent, respectively. Entries during the first seven months of this year were 13 per cent heavier

than in the similar period last year. Increased entries were shown in all provinces except Nova Scotia and Yukon Territory both in the month and cumulative period.

According to the Bureau of Statistics, the number of entries in July totalled 453,200 as compared with 407,900 in the same month a year ago. During the seven-month period, 1,026,300 vehicles entered Canada as against 911,800 in the like period of 1948.

ARMED FORCES STRENGTH: Figures disclosing the overall strength of the Active and Reserve Forces of the Armed Services were released on August 24 by the Minister of National Defence, Mr. Claxton.

Mr. Claxton stated that the Royal Canadian Navy has reached its presently planned complement of 9,047 in the Permanent Force but is continuing to recruit to take care of normal wastage incurred through monthly retirements and discharges. The R.C.N. (Reserve) had recruited 4,278 officers and men by June 30.

The Canadian Army, Active Force, with a present establishment of 23,034, had a total strength of 19,522 on June 30, while the Reserve Force numbered 37,794.

The R.C.A.F. was within 3,000 of the 18,278 establishment with a strength of 15,358 officers and men on June 30. On that date, too, the R.C.A.F. had 3,031 personnel on Active Reserve units.

Mr. Claxton pointed out that the active full time forces now totalled 43,927 for the three services, or 87% of their present establishments.

Establishments were subject to change from time to time by the Cabinet in the light of changing conditions. In January, 1947, the target figures were 7,500 for the Navy, 18,750 for the Army, and 12,150 for the Air Force, or a total of 38,400 for the three active forces.

RCAF APPOINTMENT: Announcement of the appointment of Group Captain V.H. Patriarche, OBE, AFC, of Winnipeg, Man. as Director of Service Requirements for the RCAF, was made at Air Force Headquarters, Ottawa, on August 24. G/C Patriarche replaces G/C D.S. Blaine, of Ottawa who will be attached to the Canadian Joint Staff in the United States.

WORK STOPPAGES DECLINE: Time loss due to work stoppages arising from industrial disputes in Canada during July, 1949, showed a marked decrease of more than 83,000 days from the figures for the previous month, according to the monthly summary of strikes and lockouts for July issued on August 23 by the Minister of Labour, Mr. Mitchell.